

HUL-Accounting treatment Certificate

Walker Chandiook & Co LLP

To
The Board of Directors
Hindustan Unilever Limited
Unilever House
B. D. Sawant Marg, Chakala
Andheri (East)
Mumbai – 400 099
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Independent auditor's certificate on the proposed accounting treatment included in the draft scheme of arrangement pursuant to SEBI Master circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated 20 June 2023, as amended from time to time (the 'SEBI circular') and Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (the 'Act'), and the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016

1. This certificate is issued in accordance with the terms of our engagement letter dated 17 January 2025 with **Hindustan Unilever Limited** (the 'Company' or 'Demerged Company').
2. We, the statutory auditors of the Company, have examined the proposed accounting treatment specified in Clause 11.1 of the draft scheme of arrangement between the Company and Kwality Wall's (India) Limited (the 'Resulting Company'), and their respective shareholders (hereinafter referred to as the 'Draft Scheme') as approved by the Board of Directors of the Company in their meeting held on 22 January 2025, in terms of the provisions of the SEBI circular, Sections 230 to 232 and other applicable provisions of the Act and the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (the 'Rules') with reference to its compliance with the accounting standards prescribed under Section 133 of the Act, read with relevant rules issued thereunder (the 'applicable accounting standards') and other generally accepted accounting principles in India and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('SEBI LODR Regulations'). A certified true copy of the Draft Scheme, with the proposed accounting treatment specified in Clause 11.1 of the Draft Scheme, as attached herewith in Appendix I, has been attached by us for identification purpose only.

Management's Responsibilities

3. The responsibility for the preparation of the Draft Scheme, and its compliance with the relevant laws and regulations, including the applicable accounting standards and other generally accepted accounting principles in India, is that of the Board of Directors of the companies involved. This responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation of the Draft Scheme and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.



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Chartered Accountants

Offices in Ahmedabad, Bengaluru, Chandigarh, Chennai, Dehradun, Goa, Gurugram, Hyderabad, Indore, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

Walker Chandiook & Co LLP is registered with limited liability with identification number AAC-2085 and has its registered office at L-41, Connaught Circus, Outer Circle, New Delhi, 110001, India

Hindustan Unilever Limited

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4. The management is also responsible for ensuring that the Company complies with the requirements of the Act, the Rules, SEBI LODR Regulations, SEBI circular, the applicable accounting standards and other generally accepted accounting principles in India, in relation to the Draft Scheme, and for providing all relevant information to the relevant National Company Law Tribunal ('NCLT'), SEBI, the BSE Limited and the National Stock Exchange of India Limited (hereinafter referred to as the 'Stock Exchanges').

Auditor's Responsibilities

5. Pursuant to the requirements of the relevant laws and regulations, it is our responsibility to provide a reasonable assurance as to whether the proposed accounting treatment specified in Clause 11.1 of the Draft Scheme complies with the SEBI (LODR) Regulations, SEBI circular, and the applicable accounting standards and other generally accepted accounting principles in India.
6. We conducted our examination in accordance with the Guidance Note on Repots or Certificates for Special Purposes (Revised 2016) (the 'Guidance Note') issued by the Institute of Chartered Accountants of India (the 'ICAI'). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC)-1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements, issued by the ICAI.

Opinion

8. Based on our examination as above and according to the information and explanations given to us, along with the representations provided by the management of the Company, in our opinion, the proposed accounting treatment specified in Clause 11.1 of the Draft Scheme, attached herewith by us for identification only, is in compliance with the SEBI LODR Regulations, SEBI circular, the applicable accounting standards and other generally accepted accounting principles in India.

Restriction on use

9. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the requirements of the provisions of SEBI LODR Regulations, SEBI circular, Sections 230 to 232 and other applicable provisions of the Act read with the Rules, for onward submission along with the Draft Scheme to the SEBI, the Stock Exchanges, and the relevant NCLT. Our obligations in respect of this certificate are entirely separate from, and our responsibility and liability are in no way changed by, any other role we may have as statutory auditors of the Company or otherwise. Nothing in this certificate, nor anything said or done in the course of or in connection with the services that are the subject of this certificate, will extend any duty of care we may have in our capacity as statutory auditors of the Company.



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10. This certificate is issued at the request of the Company's management for onward submission along with the Draft Scheme to the SEBI, the Stock Exchanges, and the relevant NCLT. Accordingly, this certificate may not be suitable for any other purpose and should not be used or referred to for any other purpose or to any other party without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing.

For **Walker Chandio & Co LLP**
Chartered Accountants
Firm Registration No:001076N/N500013



Aasheesh Arjun Singh
Partner
Membership No:210122

UDIN:25210122BMONAI3451

Place: Mumbai
Date: 22 January 2025

SCHEME OF ARRANGEMENT



AMONGST



HINDUSTAN UNILEVER LIMITED

as the Demerged Company

AND

KWALITY WALL'S (INDIA) LIMITED

as the Resulting Company

AND

THEIR RESPECTIVE SHAREHOLDERS

UNDER SECTIONS 230-232 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013

A. Description of Parties

1. Hindustan Unilever Limited is a public company, limited by shares, incorporated under the provisions of the Indian Companies Act, 1913 under corporate identification number L15140MH1933PLC002030 and having its registered office at Unilever House, B.D. Sawant Marg, Chakala, Andheri East, Mumbai, 400099, India (“**Hindustan Unilever**” or “**Demerged Company**”). The equity shares of the Demerged Company are listed on the National Stock Exchange of India Limited and BSE Limited. The Demerged Company is one of India’s leading private sector companies and is engaged in the business of manufacturing, marketing, distribution and sale of fast-moving consumer goods (FMCG).
2. Kwaliti Wall’s (India) Limited is a public company, limited by shares, incorporated on January 10, 2025 under the provisions of the Companies Act, 2013 under corporate identification number: U10505MH2025PLC437886 and having its registered office is at Unilever House, B.D. Sawant Marg, Chakala, Andheri East, Mumbai, 400099, India (“**Kwaliti Wall’s (India)**” or “**Resulting Company**”). The Resulting Company is a wholly owned subsidiary of the Demerged Company. The main object of the Resulting Company is the manufacture, marketing, distribution and sale of ice creams, frozen desserts (both dairy and non-dairy), frozen snacks, frozen vegetables and frozen processed food of all kinds.

B. Description of the Scheme

1. This scheme of arrangement is presented under Sections 230 to 232 and other applicable provisions of the Companies Act (*as defined hereinafter*) amongst the Demerged Company and the Resulting Company, and their respective shareholders and has been approved by the Boards of the Companies with advice from independent advisors.
2. The Scheme (*as defined hereinafter*) provides, *inter alia*, for:
 - (i) the demerger of the Ice Cream Business Undertaking (*as defined hereinafter*) of the Demerged Company into the Resulting Company as a going concern and in consideration, the consequent issuance of Resulting Company New Shares (*as defined hereinafter*) by the Resulting Company to all the Eligible Shareholders (*as defined hereinafter*) of the Demerged Company as per the Share Entitlement Ratio (*as defined hereinafter*) and in accordance with the provisions of Section 2(19AA) read with other relevant provisions of the IT Act (*as defined hereinafter*) (“**Demerger**”); and



- (ii) various other matters consequential or otherwise integrally connected therewith, including, *inter alia*, reduction and cancellation of the existing shareholding of the Demerged Company in the Resulting Company,

each in the manner as more particularly described in this Scheme.

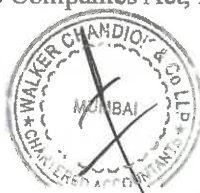
C. Rationale and Objectives of the Scheme

1. Following the announcement by the Demerged Company's parent entity, Unilever PLC, of its intention to separate its ice cream business globally, the Board of the Demerged Company had undertaken a comprehensive review and had decided to separate the Ice Cream Business Undertaking in view of its different operating model, including differentiated infrastructure for supply and distribution, capital allocation needs, distinct channel landscape and go-to-market strategy.
2. After due consideration, the Board of the Demerged Company has proposed to undertake the separation of the Ice Cream Business Undertaking by way of this Scheme which contemplates the Demerger of the Ice Cream Business Undertaking to the Resulting company, to create an independent listed ice-cream company. This would be in the best interests of the Demerged Company and the Resulting Company, and their respective shareholders, creditors, employees and other stakeholders on account of the following:
 - (i) the Demerger will result in the separation of the Ice Cream Business Undertaking from the Remaining Business (*as defined hereinafter*), which will enable these companies to sharpen focus on their respective businesses and strategies in pursuit of their respective growth and value creation models;
 - (ii) the Ice Cream Business Undertaking operates in an attractive high-growth category and has built iconic brands such as 'Kwality Wall's', 'Cornetto' and 'Magnum' and the Demerger would create a leading listed ice cream company in India, which will have a focused management with greater flexibility to deploy strategies suited to its distinctive operating model and market dynamics, to realise its full potential;
 - (iii) the Resulting Company will have ability to benefit from the portfolio, brand and innovation resources and technical expertise from the largest global ice cream business enabling it to keep winning in the market space;
 - (iv) the Demerger will enable the Demerged Company to drive sharper focus in the business as it further accelerates its play in high-growth demand spaces, strengthening its future fit portfolio;
 - (v) the Demerger would unlock value for all shareholders of the Demerged Company and give them the flexibility to stay invested in the growth journey of the Ice Cream Business Undertaking; and
 - (vi) the Demerger will facilitate a smoother transition for the Ice Cream Business Undertaking and its people.

D. Parts of the Scheme

This Scheme is divided into 3 parts:

- (i) Part-I sets forth the definitions, share capital structure of the Demerged Company and the Resulting Company and the date of taking effect of the Demerger;
- (ii) Part-II deals with the Demerger of the Ice Cream Business Undertaking into and with the Resulting Company on a going concern basis, and in consideration thereof, issuance of the Resulting Company New Shares (*as defined hereinafter*) by the Resulting Company to the Eligible Shareholders of the Demerged Company, each in accordance with Sections 230 to 232 of the Companies Act, 2013; and



(iii) Part-III deals with the general terms and conditions applicable and sets forth certain additional arrangements that form a part of this Scheme.

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PART I

DEFINITIONS, INTERPRETATION, SHARE CAPITAL STRUCTURE AND COMING INTO EFFECT OF THE SCHEME

1. Definitions

In this Scheme, unless repugnant to the subject or context or meaning thereof, the following expressions shall have the meanings as set out herein below:

- 1.1. **“Appointed Date”** means the opening of business on the Effective Date or such other date that may be mutually agreed to by the Boards of the Demerged Company and the Resulting Company and approved by the NCLT;
- 1.2. **“Applicable Law(s)”** means any applicable statute, enactment, law, regulation, ordinance, rule, judgment, order, decree, policy, clearance, approval, directive, guideline, press notes, requirement, writ, injunction, directions, judgement, arbitral award, decree, approvals or any similar form of determination by or decision of or agreements with any Government Authority, in each case having the force of law, and is binding or applicable to a person, whether in effect as of the date on which this Scheme has been approved by the Boards or at any time thereafter;
- 1.3. **“Board of Directors”** or **“Board”** in relation to the Demerged Company and the Resulting Company, means their respective board of directors and, unless it is repugnant to the context or otherwise, includes any committee of directors or any person authorised by the board of directors or by such committee of directors;
- 1.4. **“BSE”** means BSE Limited;
- 1.5. **“Companies Act”** means the Companies Act, 2013;
- 1.6. **“Demerged Company”** has the meaning ascribed to it in the Description of Parties;
- 1.7. **“Demerged Company Employee Stock Option Scheme”** means the HUL Performance Share Plan Scheme 2024 formulated and approved by the Nomination and Remuneration Committee of the Board of the Demerged Company on 1st December, 2023 and approved by the Board of the Demerged Company on 19th January, 2024 and by the shareholders of the Demerged Company by way of postal ballot on 5th March, 2024.
- 1.8. **“Demerger”** has the meaning ascribed to it in Description of the Scheme above;
- 1.9. **“Effective Date”** means the date which is the first calendar date of the month following the month in which the conditions and matters referred to in Clause 20 of the Scheme have occurred or have been fulfilled, obtained or waived, as applicable, in accordance with this Scheme. References in this Scheme to **“coming into effect of this Scheme”** or **“effectiveness of this Scheme”** or **“Scheme becomes effective”** shall mean the Effective Date;
- 1.10. **“Eligible Shareholder”** means a person whose name appears in the register of members of the Demerged Company and/ or whose name appears as the beneficial owner of the shares of the Demerged Company in the record of the depositories on the Record Date;
- 1.11. **“GST”** means the goods and services tax levied under the Central Goods and Services Tax Act, 2017 and the respective States Goods and Services Tax Act, 2017, Union Territory Goods and Services Tax Act, 2017 and the Goods and Services Tax (Compensation to States) Act, 2017;



- 1.12. **“Government Authority”** means any supra-national, national, state, provincial, local or similar governmental, statutory, regulatory, administrative authority, agency, commission, departmental or public body or authority, board, branch, tribunal or court or other entity authorized to make laws, rules, regulations, standards, requirements, procedures or to pass directions or orders, in each case having the force of law, or any non-governmental regulatory or administrative authority, body or other organization to the extent that the rules, regulations and standards, requirements, procedures or orders of such authority, body or other organization have the force of law, including any stock exchange in India or in any other country, the Registrar of Companies, Regional Director, NCLT (*as defined hereinafter*), and other sectoral regulators or authorities as may be applicable.
- 1.13. **“Ice Cream Business Undertaking Employee”** means all staff, workmen and employees of the Demerged Company engaged in permanent employment of the Demerged Company in connection with or proposed to be reassigned to a position of permanent employment in relation to the Ice Cream Business Undertaking as on the Effective Date;
- 1.14. **“Ice Cream Business Undertaking”** means all the business, undertakings, activities, operations and properties of the Demerged Company relating to the Ice Cream Business Undertaking as a going concern including but not limited to the following:
- (i) all the licences, approvals, permits and authorisations and any and all of its licenses (including the licenses granted by any Government Authority for the purpose of carrying on the Ice Cream Business Undertaking or in connection therewith and all existing files and dossiers (in any form and on any support) related to or supporting such licenses or authorisations, including pending applications), permissions, approvals, incentives, consents, exemptions, registrations, no-objection certificates, quotas, rights, entitlements, certificates, tenancies, accumulated balances of credits under any tax laws for the time being in force (including, without limitation income tax, MAT credit, service tax, applicable state value added tax, GST, advance tax, tax deducted at source, deferred tax etc. but excluding input tax credit balance and GST liability balance), benefit of any exemptions, privileges;
 - (ii) authorisations, registrations, quotas, permits, allotments, all kinds of approvals, whether statutory or otherwise including by any central or state government or other local authority, consents, privileges, liberties, advantages, easements, exemptions, incentives receivable under Applicable Law or in terms of certain schemes or policies (including production linked incentives of the Government of India or Industrial Promotion Subsidy and other benefits under the Package Scheme of Incentives in Maharashtra or other incentives in West Bengal or Himachal Pradesh) and the pending claims filed under the said schemes, if any, as may be approved by the appropriate authority, including in relation to any taxes and all the rights, title, interests, benefits, entitlement and advantages, contingent rights or benefits belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by Demerged Company with respect to the Ice Cream Business Undertaking and all other interests in connection with or relating to the Ice Cream Business Undertaking, continuing rights, title and interests in connection with any land (together with the buildings and structures standing thereon), whether freehold or leasehold, relating to the Ice Cream Business Undertaking, plant, machinery, equipment, whether leased or otherwise;



- (iii) any and all assets and property relating to or arising from the activities and operations of the Ice Cream Business Undertaking (whether movable or immovable, real or personal, corporeal or incorporeal, present, future, contingent, tangible or intangible), including but not limited to Intellectual Property, inventory (including all raw material, packaging material, work in progress inventory, goods in transit/ stored at depots or warehouses, finished products inventory, etc.), factory buildings, plant and machinery, capital work-in progress, furniture, fixtures, office equipment, computer software and licenses, appliances (including cabinets and refrigerators), accessories, vehicles, cash and bank balance, current assets, sundry debtors, all outstanding loans, deposits, provisions, advances, receivables, funds, leases of all kinds of property, licences, tenancy rights, right of way, premises, hire purchase and lease arrangements, benefits of agreements, contracts and arrangements, insurance policies (other than those taken for the Demerged Company as a whole or without reference to specific assets relating to the Ice Cream Business Undertaking);
- (iv) all deposits and balances with government, quasi-government, local and other authorities and bodies, customers and other persons, earnest monies and/or security deposits paid or received by the Demerged Company directly or indirectly in connection with the Ice Cream Business Undertaking;
- (v) any and all investments of all kinds (including shares whether in dematerialised or physical form, scripts, stocks, bonds, debenture stock, units, pass through certificates or security receipts) pertaining to the Ice Cream Business Undertaking including the investments, all cash balances with the other banks, money at call and short notice, loans, advances;
- (vi) any and all permits, approvals, authorisations, rights to use and avail of telephones, telexes, facsimiles, e-mail, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of all agreements, all records, files, papers, computer programmes, manuals, data, catalogues, sales and advertising materials, lists and other details of present and former customers and suppliers, customer credit information, customer and supplier pricing information and other records in connection with or in relation to the Ice Cream Business Undertaking;
- (vii) all ongoing research and development projects exclusively or primarily relating to the Ice Cream Business Undertaking;
- (viii) all records relating to the Ice Cream Business Undertaking, including without limitation all current and historical books, records, reports and other documents and information that pertain to business plans, budgets, financial and accounting data, brand insights and research, intellectual property, suppliers, manufacturing, customers, research and development of the Ice Cream Business Undertaking's products, devices and services, invoices, marketing and advertising operations, policies, procedures, techniques, systems, employee handbooks or manuals, training materials, operating manuals and documentation, and production manuals and documentation, in any form and on any support;
- (ix) the Ice Cream Business Undertaking Employees, including gratuity, employee insurance, provident fund contribution, superannuation benefits, any other liabilities, employee welfare benefits and applicable collective bargaining agreements associated with such Ice Cream Business Undertaking Employees;
- (x) all insurance policies, whether obtained in relation to the assets, directors, employees or operations of the Ice Cream Business Undertaking, by the Demerged Company and updated to include the Resulting Entity;



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- (xi) all pending suits/appeals, legal, taxation or other proceedings including before any statutory or quasi-judicial authority or tribunal or other proceedings of whatsoever nature pertaining to the Ice Cream Business Undertaking which are capable of being continued by or against the Resulting Company under Applicable Law;
- (xii) all contracts, agreements, licenses, leases, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, letters of agreed points, arrangements, undertakings, whether written or otherwise, deeds, bonds, schemes, arrangements, service agreements, sales orders, purchase orders or other instruments of whatsoever nature to which the Demerged Company is a party, exclusively relating to the Ice Cream Business Undertaking; and benefits thereunder, including, *inter alia*, licenses granted to the Demerged Company for use and access of any Intellectual Property in relation to the Ice Cream Business Undertaking, leasehold interest, memberships, powers and facilities of every kind and description whatsoever pertaining to the Ice Cream Business Undertaking of the Demerged Company;
- (xiii) all debts, liabilities including contingent liabilities, present or future, relating to, or arising out of the activities or operations of the Ice Cream Business Undertaking prior to or after the Appointed Date, including specific loans and borrowings (if any), term loans from banks and financial institutions (if any), such liabilities raised, incurred and utilised solely for the activities or business or operation of the Ice Cream Business Undertaking, bank overdrafts (if any), working capital loans and liabilities (including the specific loans or borrowings or funds utilised solely for the activities or operations of the Ice Cream Business Undertaking), amounts due to small scale industrial undertakings, whether secured or unsecured, all guarantees, assurances, commitments and obligations of any nature or description, whether fixed, contingent or absolute, secured or unsecured, asserted or unasserted, matured or unmatured, liquidated or unliquidated, accrued or not accrued, known or unknown, due or to become due, whenever or however arising (including, without limitation, whether arising out of any contract, or tort based on negligence or strict liability), pertaining to the Ice Cream Business Undertaking;
- (xiv) liabilities other than those referred to above, being the amounts of general or multipurpose borrowings of the Ice Cream Business Undertaking, if any, allocated to the Ice Cream Business Undertaking, in the same proportion which the value of the assets transferred under the Scheme bear to the total value of the assets of Demerged Company immediately before giving effect to the Scheme; and
- (xv) contingent rights or benefits, securitised assets, receivables, benefits of assets or properties or other interest held in trust, benefit of any security arrangements, authority, allotments, approvals, reversions, buildings, structures and offices held for the benefit of or enjoyed by the Ice Cream Business Undertaking or to which the Ice Cream Business Undertaking may be entitled;

it being clarified that the Ice Cream Business Undertaking shall not include any employees, assets, liabilities, rights or obligations belonging to and forming part of the Remaining Business. Any question that may arise as to whether a specified asset, liability, employee or other action, matter or thing forms part of the Ice Cream Business Undertaking or the Remaining Business shall be resolved by mutual agreement between the Board of Directors of each of the Demerged Company and the Resulting Company;

1.15. "Ice Cream Business Liabilities" shall have the meaning ascribed to the term in Clause 4.2.1(i).

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1.16. “**Intellectual Property**” means all intellectual property rights of any nature whatsoever, past, present, and future rights of the following types, which may exist or be created under the laws of any jurisdiction including:

- (i) rights in information (including know-how, knowledge of ice-cream business, confidential information and trade secrets) and the right to use, and protect the confidentiality of, confidential information;
- (ii) trademarks, service marks, rights in logos, brand names, trade and business names, rights in each of get-up and trade dress and all associated goodwill, rights to sue for passing off and/or for unfair competition and domain names;
- (iii) copyright, moral rights and related rights, rights in computer software, database rights, and rights in designs;
- (iv) approvals, marketing intangibles, permits, permissions, incentives, privileges, special status, designs, research and studies;
- (v) digital platforms, algorithms, domain names, applications (including hardware, software, licenses and scripts);
- (vi) lists of present and former customers and suppliers, other customer information, copies of employment information, including but not limited to personnel files (including hiring documents, reference checks, existing employment contracts, policies, handbooks and documents reflecting changes in an employee’s position, compensation, benefits, or other terms of employment), payroll records, documents relating to past or ongoing leave of absence, on the job injuries or illness, or fitness for work examinations, disciplinary records, related supervisory files and all forms, notifications, orders and contribution/identity cards issued by the concerned authorities and all other records and documents;
- (vii) any other intellectual property rights; and
- (viii) all rights or forms of protection, subsisting now or in the future, having equivalent or similar effect to the rights referred to in paragraphs (i) to (vii) above,

in each case: (i) anywhere in the world; (ii) whether unregistered or registered (including all applications, rights to apply and rights to claim priority); (iii) whether owned, licensed or otherwise; (iv) whether in physical or electronic form and (v) including all divisional, continuations, continuations-in-part, reissues, extensions, re-examinations and renewals and the right to sue for damages for past and current infringement in respect of any of the same.

1.17. “**Ind AS**” shall mean the Indian Accounting Standards notified under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules, 2015, as may be amended from time to time;

1.18. “**IT Act**” means the Income Tax Act, 1961 the rules made thereunder and will include any statutory amendment(s), modification(s) or re-enactment(s) thereof for the time being in force;

1.19. “**NCLT**” means the Regional Bench of the National Company Law Tribunal at Mumbai, Maharashtra having jurisdiction over such companies for the purposes of this Scheme;

1.20. “**NSE**” means National Stock Exchange of India Limited;

1.21. “**RBI**” means the Reserve Bank of India;



- 1.22. **“Record Date”** means, in relation to the demerger of the Ice Cream Business Undertaking, the date to be fixed by the Board of Directors of the Demerged Company and the Resulting Company, for the purpose of identification of the Eligible Shareholders of the Demerged Company to whom Resulting Company New Shares shall be issued pursuant to this Scheme;
- 1.23. **“Registrar of Companies”** means the Registrar of Companies, Mumbai at Maharashtra;
- 1.24. **“Remaining Business”** means all businesses, undertakings, activities, operations and properties of the Demerged Company other than those that form part of the Ice Cream Business Undertaking;
- 1.25. **“Resulting Company”** has the meaning ascribed to it in the Description of Parties;
- 1.26. **“Resulting Company New Shares”** has the meaning ascribed to it in Clause 9.1 of this Scheme;
- 1.27. **“Rupees”** or **“Rs.”** or **“INR”** means Indian rupees, being the lawful currency of Republic of India;
- 1.28. **“Scheme”** means this Scheme of Arrangement pursuant to Sections 230 - 232 and other relevant provisions of the Companies Act, with such modifications and amendments as may be made from time to time, with the appropriate approvals and sanctions of the NCLT and other relevant regulatory authorities including without limitation the SEBI, as may be required under the Companies Act and under all other Applicable Laws;
- 1.29. **“SEBI”** means the Securities Exchange Board of India;
- 1.30. **“Share Entitlement Ratio”** has the meaning ascribed to such term in Clause 9.1;
- 1.31. **“Stock Exchanges”** means BSE Limited and National Stock Exchange of India Limited; and
- 1.32. **“SEBI LODR Regulations”** mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- 1.33. **“Tax”** means and includes any tax, whether direct or indirect, including income tax (including withholding tax, dividend distribution tax, TDS/TCS), GST, excise duty, central sales tax, service tax, octroi, local body tax and customs duty, duties, charges, unearned income, transfer charges, fees, surcharge, cess, levies or other similar assessments by or payable to an Government Authority, including in relation to: (a) income, services, gross receipts, premium, immovable property, movable property, assets, profession, entry, capital gains, municipal, interest, expenditure, imports, wealth, gift, sales, use, transfer, licensing, withholding, employment, payroll and franchise taxes, and (b) any interest, fines, penalties, assessments, or additions to Tax resulting from, attributable to or incurred in connection with any proceedings or late payments in respect thereof.
- 1.34. **“Tax Laws”** shall have the meaning set out in Clause 4.8.1;
- 1.35. **“TDS”** means tax deductible at source, in accordance with the provisions of Tax Laws;
- 1.36. **“TCS”** means tax collectible at source, in accordance with the provisions of Tax Laws;

2. Interpretation

- 2.1. Terms and expressions which are used in this Scheme but not defined herein shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Companies Act, IT Act, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and other Applicable Laws.
- 2.2. In this Scheme, unless the context otherwise requires:



- (i) references to “persons” shall include individuals, bodies corporate (wherever incorporated), unincorporated associations and partnerships;
- (ii) reference to any law, statute or to any provision thereof shall include references to any such law or statute or to any provision thereof as it may, after the date hereof, from time to time, be amended, supplemented or re-enacted, or to any law, statute or any provision which replaces it, and any reference to any statute or to any statutory provision shall include any subordinate legislation made from time to time under that statute or provision;
- (iii) any phrase introduced by the terms “including”, “include”, “in particular” or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms;
- (iv) headings, subheadings, titles, subtitles to clauses and sub-clauses are for convenience only and shall be ignored in construing the Scheme;
- (v) references to one gender includes all genders;
- (vi) words in the singular shall include the plural and vice versa;
- (vii) reference to days, months and years are to calendar days, calendar months and calendar years, respectively; and
- (viii) percentages have been rounded off up to two decimal places.

2.3. Share Capital

2.3.1. The share capital structure of the Demerged Company as on **December 31, 2024** is as under

Share Capital	Amount in Rs.
Authorised Capital	
2,850,000,000 equity shares of Rs. 1 each	2,850,000,000
Total	2,850,000,000
Issued, Subscribed and Paid-up Share Capital	
2,402,710,238 equity shares of Rs. 1 each	2,402,710,238
Total	2,402,710,238
Fully paid-up Share Capital	
2,349,591,262 equity shares of Rs. 1 each	2,349,591,262
Total	2,349,591,262

* The equity shares of the Demerged Company are listed on the Stock Exchanges.

** The difference between issued capital and paid-up capital is due to the buyback of 3,02,35,772 Equity Shares of Rs. 1/- each during the Financial Year 2007-08 and Buy Back of 2,28,83,204 Equity Shares of Rs. 1/- each during the Financial Year 2010-11



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*** The Demerged Company has implemented the Demerged Company Employee Stock Option Scheme under which it has some outstanding stock options. Further, the Demerged Company may grant further options in the ordinary course of its business during the pendency of this Scheme. The aforesaid options and/or their exercise may result in a variation to the share capital depicted above. However, the Share Entitlement Ratio will not be adjusted on account of any such variation.

2.3.2. The share capital structure of Resulting Company as on **January 10, 2025** is as under:

Share Capital	Amount in Rs.
Authorised Capital	
2,500,000,000 equity shares of Rs. 1 each	2,500,000,000
Total	2,500,000,000
Issued, Subscribed and Paid-up Share Capital	
50,000,000 equity shares of Rs. 1 each	50,000,000
Total	50,000,000
Fully paid-up Share Capital	
50,000,000 equity shares of Rs. 1 each	50,000,000
Total	50,000,000

2.4. The Resulting Company is a wholly owned subsidiary of the Demerged Company and 6 shares are held by the nominees of the Demerged Company in order to satisfy the requirement of the Companies Act. The equity shares of the Resulting Company are presently not listed on any Stock Exchange. An application shall be made with the BSE and NSE post the effectiveness of the Scheme, for listing of the equity shares of the Resulting Company so that upon the Demerger of the Ice Cream Business Undertaking into the Resulting Company, the shareholders of the Resulting Company can freely trade in the shares of the Resulting Company.

3. Date of Taking Effect and Operative Date

The Scheme shall become operative from the Effective Date, and upon such effectiveness, shall be deemed to have been made effective on and from the Appointed Date.



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PART II

DEMERGER OF THE ICE CREAM BUSINESS UNDERTAKING

4. Transfer and vesting of the Ice Cream Business Undertaking

Upon this Scheme becoming effective and with effect from the Appointed Date, the Ice Cream Business Undertaking of the Demerged Company shall, without any further act or deed, be demerged from the Demerged Company and stand transferred to and vested in or be deemed to be transferred to or vested in the Resulting Company, as a going concern, so as to become a business undertaking of the Resulting Company by operation of law, in accordance with Sections 230-232 and other applicable provisions of the Companies Act and Section 2(19AA) and other applicable provisions of the IT Act and various other Tax Laws in force in India on the Effective Date including without limitation in relation to goods and services tax, customs duty, excise duty, CENVAT credit or value added tax. In addition, for the avoidance of doubt, the Remaining Business and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by the Demerged Company.

4.1. Transfer of Assets

Without prejudice to the generality of Clause 4 above, upon this Scheme becoming effective and with effect from the Appointed Date:

- (i) all assets of the Demerged Company pertaining to the Ice Cream Business Undertaking that are movable in nature or incorporeal property or are otherwise capable of transfer by physical or constructive delivery and/or by endorsement and delivery, or by vesting and recordal including plant, machinery and equipment, pursuant to this Scheme, shall stand transferred to and vested in and/or be deemed to be transferred to and vested in the Resulting Company wherever located pursuant to provisions of Sections 230 to 232 of the Companies Act and all other applicable provisions of Applicable Law without requiring any deed or instrument of conveyance for transfer and vesting of the same, and shall become the property and an integral part of the Resulting Company. The vesting pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery or by vesting and recordal, pursuant to this Scheme, as appropriate to the property being vested and title to the property shall be deemed to have been transferred accordingly;
- (ii) all other movable properties of the Demerged Company pertaining to the Ice Cream Business Undertaking (other than as set out in sub-clause (i) above), including tax refunds with the government as applicable, investments in shares and any other securities, sundry debtors, future receivables, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with government, semi-government, local and other authorities and bodies, customers and other persons, shall without any further act, instrument or deed, become the property of the Resulting Company without any notice or other intimation to any person and the same shall also be deemed to have been transferred by way of delivery of possession of the respective documents in this regard. It is hereby clarified that investments, if any, made by the Demerged Company and pertaining to the Ice Cream Business Undertaking and all the rights, title and interests of the Demerged Company pertaining to the Ice Cream Business Undertaking in any leasehold properties shall, pursuant to Sections 230 to 232 of the Companies Act and the provisions of this Scheme, without any further act or deed, be transferred to and vested in and/or be deemed to have been transferred to and vested in the Resulting Company pursuant to the provisions of Sections 230 to 232 of the Companies Act;



- (iii) all assets, rights, title, remedies, claims, rights of action, interest and authorities held by the Demerged Company, on the Appointed Date forming part of the Ice Cream Business Undertaking, not otherwise specified in the above Clauses, shall also, without any further act, instrument or deed, become the property of, and stand vested in or be deemed to have so become, or be vested in, the Resulting Company upon the coming into effect of this Scheme pursuant to the provisions of Sections 230 to 232 of the Companies Act and all other applicable provisions of Applicable Laws;
- (iv) all immovable properties of the Demerged Company and pertaining to the Ice Cream Business Undertaking, if any, including land together with the buildings and structures standing thereon, capital work-in-progress and rights and interests in immovable properties of the Demerged Company and pertaining to the Ice Cream Business Undertaking, whether freehold or leased from any third party (including Government Authorities) or otherwise and all documents of title, rights and easements in relation thereto shall be vested in and/or be deemed to have been vested in the Resulting Company, without any further act or deed done or being required to be done by the Demerged Company and/or the Resulting Company. For the purposes of this Clause, the Boards of the relevant Companies may, in their absolute discretion, mutually decide the manner of giving effect to the vesting of the whole or part of the right, title and interest in all or any of the immovable properties along with any attendant formalities involved, including by way of execution of appropriate deed(s), including of conveyance, assignment, transfer or rectification, in order to give effect to the objectives of the Scheme;
- (v) the Resulting Company shall be entitled to exercise all rights and privileges attached to the aforesaid immovable properties, if any, and shall be liable to pay the ground rent and taxes, if applicable and fulfil all obligations in relation to or applicable to such immovable properties. The mutation or substitution of the title to the immovable properties, if any, shall, upon this Scheme becoming effective, be made and duly recorded in the name of the Resulting Company by the Government Authorities pursuant to the sanction of this Scheme by the NCLT and upon the Scheme becoming effective in accordance with the terms hereof. Provided that, the Boards of the Demerged Company and the Resulting Company may mutually decide if any particular asset (including any business, activities, employees, permits, consents etc.) which relates to the Ice Cream Business Undertaking shall not be vested in the Resulting Company pursuant to this Scheme in the event of non-receipt of any consents, permission etc. required for vesting of such assets, as intended, or imposition of any onerous conditions associated with such consents or permissions;
- (vi) all Intellectual Property and rights thereto of the Demerged Company that exclusively form part of the Ice Cream Business Undertaking, whether registered or unregistered, along with all rights of commercial nature including attached goodwill, title, interest, and all other interests relating to the Ice Cream Business Undertaking, shall become the property of and/or stand vested in, the Resulting Company; and



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- (vii) all the security interest over any moveable and/or immoveable properties and security in any other form (both present and future) including but not limited to any pledges, or guarantees, if any, created/executed by any person in favour of the Demerged Company for the purposes of the Ice Cream Business Undertaking or any other person acting on behalf of or for the benefit of the Demerged Company pertaining to the Ice Cream Business Undertaking for securing the obligations of the persons to whom the Demerged Company has advanced loans and granted other funded and non-funded financial assistance, pertaining to the Ice Cream Business Undertaking by way of letter of comfort or through other similar instruments shall pursuant to the provisions of Section 232 of the Companies Act and without any further act, instrument or deed stand vested in and be deemed to be furnished in favour of the Resulting Company and the benefit of such security shall be available to the Resulting Company as if such security was ab initio created in favour of the Resulting Company.

4.2. Transfer of Liabilities

4.2.1. Without prejudice to the generality of Clause 4 above, upon this Scheme becoming effective and with effect from the Appointed Date:

- (i) all the liabilities of the Demerged Company in relation to the Ice Cream Business Undertaking whether or not recorded in the books of the Demerged Company including the specific loans or borrowings or funds utilised solely for the activities or operations of the Ice Cream Business Undertaking ("**Ice Cream Business Liabilities**") shall pursuant to the provisions of Sections 230 to 232 and any other provisions of the Companies Act and any other Applicable Law without any further act, instrument or deed, be and stand transferred to and vested in and be deemed to be transferred to and vested in the Resulting Company, and the same shall be assumed by the Resulting Company, so as to become the liabilities of the Resulting Company on the same terms and conditions as were applicable to Demerged Company, and the Resulting Company shall meet, discharge and satisfy to the exclusion of Demerged Company such that the Demerged Company shall in no event be responsible or liable in relation to any such Ice Cream Business Liabilities transferred by it. It shall not be necessary to obtain the consent of any third party who is a party to any contract or arrangement by virtue of which such debts, obligations, duties and liabilities have arisen, in order to give effect to the provisions of this Clause;
- (ii) the Resulting Company shall execute any instrument/s and/or document/s and/or do all the acts and deeds as may be required, including the filing of necessary particulars and/or modification(s) of charge, with the respective Registrar of Companies to give formal effect to the above provisions, if required;
- (iii) It is expressly provided that, save as mentioned in this Clause, no other term or condition of the Ice Cream Business Liabilities transferred to the Resulting Company as part of the Scheme is modified by virtue of this Scheme except to the extent that such amendment is required by necessary implication;
- (iv) Subject to the necessary consents being obtained, if required, in accordance with the terms of this Scheme, the provisions of this Clause shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document, all of which instruments, deeds or writings shall stand modified and/or superseded by the foregoing provisions; and

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4.2.2. Upon this Scheme coming into effect, the borrowing limits of the Resulting Company in terms of Section 180(1) (c) of the Companies Act shall be deemed to be increased without any further act, instrument or deed to the equivalent of the aggregate borrowings forming part of Ice Cream Business Liabilities transferred by the Demerged Company to the Resulting Company pursuant to the Scheme. Such limits shall be incremental to the existing borrowing limits of the Resulting Company.

4.3. Encumbrances

- (i) All encumbrances, if any, existing prior to the Effective Date in respect of the assets of the Demerged Company in respect of the Ice Cream Business Undertaking, shall after the Effective Date, without any further act, instrument or deed continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date. Provided that if any of the assets comprised in the Ice Cream Business Undertaking which are being transferred to Resulting Company pursuant to this Scheme have not been encumbered as aforesaid, such assets shall remain unencumbered and the existing encumbrances referred to above shall not be extended to and shall not operate over such assets. The absence of any formal amendment which may be required by a lender or trustee or third party shall not affect the operation of the above;
- (ii) The existing encumbrances over the other assets and properties of the Resulting Company or any part thereof which relate to the liabilities and obligations of Resulting Company prior to the Effective Date shall, continue to relate to only such assets and properties and shall not extend or attach to any of the assets and properties of the Ice Cream Business Undertaking transferred to and vested in Resulting Company by virtue of the Scheme.;
- (iii) The Scheme shall not operate to enlarge the encumbrances in respect of the liabilities of the Ice Cream Business Undertaking comprised in the Demerged Company over the properties, assets, rights, benefits and interest of the Resulting Company (as existing immediately prior to the effectiveness of the Scheme), nor shall Resulting Company be obliged to create any further or additional security after the Scheme has become effective or otherwise. The absence of any formal amendment which may be required by a lender or trustee or third party shall not affect the operation of the above;
- (iv) The foregoing provisions shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security documents, all of which instruments, deeds or writings shall be deemed to have been modified and/ or superseded by the foregoing provisions. Any reference in any security documents or arrangements (to which Demerged Company is a party) to Demerged Company and its assets and properties, which relate to the Ice Cream Business Undertaking, shall be construed as a reference to Resulting Company and the assets and properties of Demerged Company transferred to Resulting Company by virtue of the Scheme; and

Without any prejudice to the provisions of the foregoing Clauses, the Demerged Company and the Resulting Company may enter into and execute such other deeds, instruments, documents and/ or writings and/ or do all acts and deeds as may be required, including the filing of necessary particulars and/ or modification(s) of charge, with the Registrar of Companies to give formal effect to the provisions of this Clause and foregoing Clauses, if required

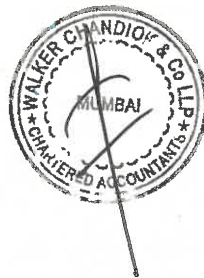
4.4. Transfer of Contracts, Deeds, Licenses, Incentives, etc.

Without prejudice to the generality of Clause 4 above, upon this Scheme becoming effective and with effect from the Appointed Date:



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- (i) all contracts, deeds, bonds, agreements, memorandums, arrangements and other instruments of whatsoever nature pertaining to the Ice Cream Business Undertaking (including agreements in relation to the licensing of the Intellectual Property and technology for use in relation to the Ice Cream Business Undertaking), to which the Demerged Company is a party or to the benefit of which the Demerged Company may be eligible or for the obligations of which the Demerged Company may be liable, and which are subsisting immediately before the Effective Date, shall stand transferred to the Resulting Company. It shall not be necessary to obtain the consent of any third party or other person who is a party to any such contracts, deeds, bonds, agreements and other instruments to give effect to the provisions of this Clause of the Scheme;
- (ii) all permits, consents, permissions, licenses, certificates, clearances, registrations, no objection certificates, exemptions, authorities (including powers of attorney) given by, issued to or executed in favour of the Demerged Company in relation to the Ice Cream Business Undertaking or to the benefit of which, the Ice Cream Business Undertaking may be eligible and which are subsisting or having effect immediately before the Effective Date shall, subject to Applicable Law, stand transferred to the Resulting Company as if the same were originally given by, issued to or executed in favour of the Resulting Company, and the Resulting Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Resulting Company. It is hereby clarified that if the consent of any third party or authority is required to give effect to the provisions of this Clause, the said third party or authority shall make and duly record the necessary substitution/endorsement in the name of the Resulting Company pursuant to the sanction of this Scheme by the NCLT and upon this Scheme becoming effective in accordance with the terms hereof. The Resulting Company shall make applications to any Government Authority as may be necessary in this behalf. Until such consents, permissions, licenses, certificates, clearances, registrations, no objection certificates, exemptions, authorities are transferred, and/or perfected in the record of the Government Authority, in favour of the Resulting Company, the Resulting Company shall be deemed to be authorized to carry on the business in the name and style of the Demerged Company in relation to the Ice Cream Business Undertaking under the same. Pursuant to the Scheme coming into effect, the past track record of the Demerged Company in relation to the Ice Cream Business Undertaking shall be deemed to be the track record of the Resulting Company for all commercial and regulatory purposes;



- (iii) in so far as various incentives, subsidiaries, exemptions, remissions, reductions, export benefits, any other incentives eligible from state government (including Industrial Promotion Subsidy and other benefits under the Package Scheme of Incentives in Maharashtra, or other incentives in West Bengal or Himachal Pradesh) or central government (including production linked incentives or PLI), and the pending claims filed under the said schemes, if any, as may be approved by the appropriate authority, all indirect tax related benefits, remission of duties, awards, sanctions, privileges, memberships, allotments, quotas, pre-qualifications, concessions, GST benefits, service tax benefits, central excise duty exemptions / concessions / benefits, customs duty exemptions / concessions, income tax holiday/benefit/losses/ and other benefits or exemptions or privileges enjoyed (to the extent remaining unutilized on the Appointed Date), granted by any Government Authority or by any other person, or availed of by the Demerged Company are concerned, the same shall, together with any corresponding obligations, without any further act or deed, in so far as they relate to the Ice Cream Business Undertaking, vest with and be available to the Resulting Company on the same terms and conditions as were available with the Demerged Company and as if the same had been allotted and/or granted and/or sanctioned and/or allowed to the Resulting Company, to the end and intent that the right of the Demerged Company to recover or realize the same, shall become the right of the Resulting Company and/or stands vested in the Resulting Company and that appropriate entries should be passed in their respective books to record the aforesaid changes; and
- (iv) the Resulting Company may if so required under any Applicable Law or otherwise, execute deeds (including deeds of adherence or deeds of novation), confirmations or other writings or tripartite arrangements with any party to any contract or arrangement in relation to the Ice Cream Business Undertaking to which the Demerged Company is a party or any writings as may be necessary to be executed in order to give formal effect to the provisions of the Scheme. The Resulting Company shall, under the provisions of this Part II of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Demerged Company in relation to the Ice Cream Business Undertaking and to carry out or perform all such formalities or compliances referred to above on the part of the Demerged Company in relation to the Ice Cream Business Undertaking to be carried out or performed.

4.5. Transfer of legal, taxation and other proceedings

- 4.5.1. Pursuant to the Scheme coming into effect, the Resulting Company will be the successor of the Demerged Company solely in relation to the Ice Cream Business Undertaking.
- 4.5.2. Any pending suits/appeals, all legal, taxation or other proceedings including before any statutory or quasi-judicial authority or tribunal or other proceedings of whatsoever nature pertaining to the Ice Cream Business Undertaking, whether by or against the Demerged Company, whether pending on the Effective Date or which may be instituted any time in the future and in each case relating to the Ice Cream Business Undertaking shall not abate, be discontinued or in any way prejudicially affected by reason of the demerger of the Ice Cream Business Undertaking or of anything contained in this Scheme, but the proceedings shall continue and any prosecution shall be enforced by or against the Resulting Company after the Effective Date as effectually and in the same manner and to the same extent as if the same had been instituted by or against, as the case may be, the Resulting Company.
- 4.5.3. The Resulting Company shall have all legal, taxation or other proceedings initiated by or against the Demerged Company in relation to the Ice Cream Business Undertaking referred to in Clause 4.5.2 above transferred to its name as soon as is reasonably possible after the Effective Date and to have the same continued, prosecuted and enforced by or against the Resulting Company.

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4.5.4. Notwithstanding anything contained herein above, if at any time after the Effective Date, the Demerged Company is in receipt of any demand, claim, notice and/ or is impleaded as a party in any proceedings before any Appropriate Authority (except proceedings under the Income Tax Act), in each case in relation to the Ice Cream Business Undertaking, the Demerged Company and the Resulting Company shall, in view of the transfer and vesting of the Ice Cream Business Undertaking pursuant to this Scheme take all such steps in the proceedings before the Government Authority to replace the Demerged Company with the Resulting Company. However, if for any reason the substitution of the Demerged Company by the Resulting Company for such proceedings does not take place, the Demerged Company shall defend the same or deal with such demand in accordance with the advice of the Resulting Company and at the cost of the Resulting Company and the latter shall reimburse to the Demerged Company all liabilities and obligations incurred by the Demerged Company in respect thereof.

4.6. Transfer of Employees

4.6.1. Pursuant to the Scheme coming into effect, all Ice Cream Business Undertaking Employees shall be deemed to have become the employees of the Resulting Company on and from the Appointed Date, subject to provisions hereof, without any break in their service and with the benefit of continuity of service, and on terms and conditions not less favourable in the aggregate than those on which they are engaged by the Demerged Company, in compliance with Applicable Law. For the purpose of payment of any compensation (including retrenchment compensation), gratuity and other terminal benefits, if any, the uninterrupted past services of such Demerged Company Employees with the Demerged Company shall also be taken into account and paid (as and when payable) by the Resulting Company.

4.6.2. In so far as the provident fund, gratuity fund, superannuation fund, trusts, retirement funds or benefits and any other funds or benefits, created by the Demerged Company for the Ice Cream Business Undertaking Employees or to which the Demerged Company is contributing for the benefit of the Ice Cream Business Undertaking Employees and other such funds, the benefits of which the Ice Cream Business Undertaking Employees enjoy (collectively referred to as the "Demerged Company Funds"), such proportion of the liabilities which are attributable/referable to the Ice Cream Business Undertaking Employees, all contributions and amounts standing to the credit of such Demerged Company Funds for the benefit of the Ice Cream Business Undertaking Employees and the investments made in the Demerged Company Funds in relation to the Ice Cream Business Undertaking Employees shall be transferred to: (i) similar fund(s)/ trust(s) nominated by the Resulting Company or (ii) to such new fund(s)/ trust(s) to be established (if any) by the Resulting Company and caused to be recognized by the Government Authorities, as applicable. Pending the transfer as aforesaid, the contributions in relation to the Ice Cream Business Undertaking Employees may be continued to be deposited in the existing relevant Demerged Company Funds.

4.6.3. In relation to any other fund (including any funds set up by the government for employee benefits) created or existing for the benefit of the Ice Cream Business Undertaking Employees, the Resulting Company shall stand substituted for the Demerged Company, for all purposes whatsoever, including relating to the obligation to make contributions to the said funds in accordance with the provisions of such scheme, funds, bye-laws, etc. in respect of the Ice Cream Business Undertaking Employees.

4.6.4. Further to the transfer of Demerged Company Funds as set out in the Clauses above, the Resulting Company shall stand substituted for the Demerged Company, for all purposes whatsoever in relation to the administration or operation or obligation to make contributions to the said Demerged Company Funds, such that all the rights, duties, powers and obligations of Demerged Company in relation to the Ice Cream Business Undertaking as on the Effective Date in relation to such fund or funds shall become those of Resulting Company.



4.6.5. The Resulting Company undertakes to continue to abide by any agreement/settlement agreement/collective bargaining schemes/ polices, if any, entered into or deemed to have been entered into by the Demerged Company with, or applicable to, any Ice Cream Business Undertaking Employee/ union thereof (if any).

4.6.6. In so far as the existing benefits or funds created by the Demerged Company for the employees of the Remaining Business are concerned, the same shall continue and the Demerged Company shall continue to contribute to such benefits or funds in accordance with the provisions applicable thereto, and the Resulting Company shall have no liability in respect thereof.

4.7. Employee Stock Option Plan

4.7.1. Upon the Scheme becoming effective, stock options granted by the Demerged Company to the Ice Cream Business Undertaking Employees (who would become employees of the Resulting Company pursuant to the Scheme) under the Demerged Company Employee Stock Option Scheme, which have not been exercised (irrespective of whether the same are vested or not) and are outstanding on the Effective Date shall be treated in the following manner:

- (i) such employees will be entitled to continue to hold such stock options granted to them under the Demerged Company Employee Stock Option Scheme in accordance with their existing terms in accordance with the rules of the Demerged Company Employee Stock Option Scheme, and subject to the exercise of any discretions available to the Board and/or Nomination and Remuneration Committee (NRC) of the Board of the Demerged Company under the rules of the Demerged Company Employee Stock Option Scheme, *provided that* where such stock options are unvested, the vesting of these unvested stock options shall be prorated based on the duration of their employment with the Demerged Company until the Effective Date and all other terms remain as per the Demerged Company Employee Stock Option Scheme; and
- (ii) such employees will be fairly compensated, as may be considered fair and reasonable by the Board or Nomination and Remuneration Committee (NRC) of the Board of the Demerged Company and /or the Resulting Company, such that the total benefit in terms of value to such employees as on the Effective Date under their stock options as specified in sub-clause (i) above taken together with the compensation under this sub-clause (ii) shall remain the same as they would have received if they had exercise their stock options under Demerged Company Employee Stock Option Scheme on the Effective Date, absent the Demerger,

provided that the Demerged Company and/or and the Resulting Company shall ensure that the interest of such Ice Cream Business Undertaking Employees shall not be prejudicially impacted as a result of the Demerger.

4.7.2. Upon coming into effect of the Scheme, the Demerged Company shall take necessary steps to modify the Demerged Company Employee Stock Option Scheme in a manner considered appropriate and in accordance with the Applicable Laws, in order to enable the continuance of the same in the hands of the employees who become employees of the Resulting Company, subject to the approval of the Stock Exchange and the relevant regulatory authorities, if any under Applicable Law.

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- 4.7.3. The stock options granted by the Demerged Company under the Demerged Company Employee Stock Option Scheme to the employees of the Demerged Company (other than the Ice Cream Business Undertaking Employees) would be adjusted appropriately with the approval of Nomination and Remuneration Committee (NRC) of the Board of the Demerged Company along with such approvals as may be necessary to preserve the benefits or potential benefits intended to be made available under the Demerged Company Employee Stock Option Scheme or with respect to any outstanding stock options or otherwise necessary to reflect the adjustment in a manner that the Board and/or Nomination and Remuneration Committee (NRC) deems fit, in accordance with the Applicable Laws.
- 4.7.4. In the event that prior to the Scheme becoming effective, if any of the employees of the Demerged Company (including any Ice Cream Business Undertaking Employee) exercised any stock options issued under the applicable Demerged Company Employee Stock Option Plan, no further action will be needed in respect of their stock options since on the Record Date, such employees shall be treated at par with the other equity shareholders of the Demerged Company. In the event that the stock options issued under the Demerged Company Employee Stock Option Plan lapse prior to the coming into effect of the Scheme, no further action will be needed in relation to such lapsed stock options held by employees of the Demerged Company.
- 4.7.5. The Boards or Nomination and Remuneration Committees (NRCs) of the Demerged Company and / or and Resulting Company shall be entitled to take such actions at the discretion of the Nomination and Remuneration Committee of the Board of the Demerged Company and the Resulting Company, in order to give effect to the provisions of this Clause 4 without prejudicially affecting the option holders, as an integral part of the Scheme.
- 4.7.6. The consent of the shareholders of the Resulting Company and Demerged Company to the Scheme shall be deemed to be their consent in relation to all matters contemplated in this Clause 4, as an integral part of the scheme. No further approval of the shareholders of the Demerged Company or Resulting Company or resolution, action or compliance would be required in this connection under any applicable provisions of the Act and/ or other Applicable Laws.

4.8. Taxation Matters

4.8.1. Pursuant to the Scheme coming into effect and with effect from the Appointed Date:

- (i) the obligations, if any, for payment of Taxes to Government Authorities under Applicable Laws relating to Tax ("Tax Laws") of the Demerged Company in relation to the Ice Cream Business Undertaking shall be deemed to be the obligations of the Resulting Company; and
- (ii) all the benefits, deductions (including without limitation for expenses disallowed in the Demerged Entity), incentive, Tax refunds, losses, credits in relation to any Tax (including, without limitation income tax, MAT credit, service tax, applicable state value added tax, GST, advance tax, tax deducted at source, deferred tax etc., but excluding input tax credit balance and GST liability balance) in relation to the Ice Cream Business Undertaking to which the Demerged Company is entitled in terms of Applicable Law, whether or not received by the Demerged Company but shall be available to and vest in the Resulting Company and the Resulting Company shall be entitled to utilize and avail such benefits, deductions, Tax refunds, incentives, losses, rebates, tax holidays, exemptions, deferred tax, remissions, reductions and/or any other benefits and credits (including, without limitation income tax, MAT credit, service tax, applicable state value added tax, GST, advance tax, tax deducted at source, etc. but excluding input tax credit balance and GST liability balance).



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4.8.2. The Demerged Company and the Resulting Company are expressly permitted to revise their financial statements and tax returns along with prescribed forms, filings and annexures and other statutory returns, including TDS certificates/returns and to claim refund, advance tax, credits, exercise and service tax credits, service tax returns, excise tax returns, sales tax / VAT/ GST returns, set off etc. on the basis of the accounts of the Demerged Company in relation to the Ice Cream Business Undertaking as transferred and vested with the Resulting Company pursuant to the Scheme coming into effect. Such returns may be revised and filed notwithstanding that the statutory period for such revision and filing may have expired but without incurring any liability on account of interest, penalty or any other sum to claim refunds, advance tax credits, GST, excise and service tax credits, set off, etc, pursuant to the Scheme coming into effect, provided no input tax credit balance and GST liability balance will be transferred to the Resulting Company.

4.8.3. The payments towards any Tax (including, without limitation income tax, GST, service tax, excise duty, custom duty etc.) whether by way of TDS, advance tax, all earnest money, security deposit, provisional payments, payment under protest or otherwise, howsoever by the Demerged Company in relation to the Ice Cream Business Undertaking after the Appointed Date shall be deemed to have been paid by the Resulting Company and shall in all proceedings, be dealt with accordingly. Further, the Resulting Company shall be entitled to claim deduction under Section 40(a), Section 40A, Section 43B and other applicable provisions of the IT Act in respect of unpaid liabilities transferred to it as part of the Ice Cream Business Undertaking to the extent not claimed by the Demerged Company, as and when the same are paid by the Resulting Company.

4.9. Bank Accounts

4.9.1. Pursuant to the Scheme coming into effect, the name of the Resulting Company shall be updated and the Resulting Company shall be the account holder with respect to all bank accounts of the Demerged Company which relate solely to the Ice Cream Business Undertaking.

4.9.2. With effect from the Effective Date and till such time that the name of the bank accounts of the Demerged Company for the Ice Cream Business Undertaking have been updated to record the name of the Resulting Company as the account holder, the Resulting Company shall be entitled to operate such bank accounts of the Demerged Company in the name of the Demerged Company in so far as may be necessary. All cheques and other negotiable instruments, pay orders, electronic fund transfers (such as NEFT, RTGS, etc.) which are in the name of the Demerged Company and received or presented for encashment after the Effective Date and relate to the Ice Cream Business Undertaking, shall be deemed to have been in the name of the Resulting Company and shall be accepted by the Demerged Company and promptly credited to the account of the Resulting Company, or if presented by the Resulting Company or received through electronic transfers and shall be accepted by the relevant bankers and credited to the accounts of the Resulting Company. Similarly, the banker of the Resulting Company shall honour all cheques/ electronic fund transfer instructions issued by the Demerged Company for payment prior to the Effective Date. The Resulting Company shall be allowed to maintain bank accounts that are in the name of the Demerged Company, for such time as may be determined to be necessary by the Resulting Company for presentation and deposition of cheques and pay orders that have been issued in the name of the Demerged Company, subject to Applicable Law. It is hereby expressly clarified that any legal proceedings by or against the Demerged Company in relation to or in connection with the Ice Cream Business Undertaking, in relation to the cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Demerged Company shall be instituted, or as the case may be, continued by or against the Resulting Company after the Effective Date.

5. Saving of Concluded Transactions and Validity of Existing Corporate Approvals



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- 5.1 Subject to the terms of the Scheme, the transfer and vesting of the Ice Cream Business Undertaking into the Resulting Company this Scheme shall not affect any transaction or proceedings already concluded by the Demerged Company for the Ice Cream Business Undertaking until the Effective Date, to the end and intent that the Resulting Company accepts and adopts all acts, deeds and things done and executed by the Demerged Company for the Ice Cream Business Undertaking in respect thereto as acts, deeds and things made, done and executed by or on behalf of the Resulting Company.
- 5.2 Upon the coming into effect of the Scheme, the resolutions, if any, of the Demerged Company relating to the Ice Cream Business Undertaking including without limitation approvals under Sections 42, 62, 180, 185, 186, 188 etc., of the Companies Act, which are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions of the Resulting Company, and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, such limits shall be added to the limits, if any, under like resolutions passed by the Resulting Company, and shall constitute the aggregate of the said limits in the Resulting Company.
- 6. Conduct of Business**
- 6.1 During the period between the approval of the Scheme by the Board of the Demerged Company and the Board of the Resulting Company and the Effective Date, save as may be governed by any arrangement entered into between the Demerged Company and the Resulting Company, the business of the Ice Cream Business Undertaking and the Resulting Company shall be carried out with diligence and business prudence in the ordinary course consistent with the past practices of the Demerged Company, in good faith and at arm's length and in accordance with Applicable Law.
- 6.2 Any claims (including but not limited to trade claims by customers or distributors), liabilities or demands (including in relation to income tax, service tax, tax deducted at source, provident fund and any other tax or statutory obligations) raised or received after the Effective Date but arising out of the activities or operations of the Ice Cream Business Undertaking, irrespective of whether it relates to the period before or after the Effective Date, shall be deemed to be part of the Ice Cream Business Undertaking and shall consequently be entirely borne by the Resulting Company. In the event that such liability is incurred by or such claim or demand is made upon the Demerged Company, then the Resulting Company shall indemnify the Demerged Company (or any successor thereof) for any payments made, costs or liabilities incurred by the Demerged Company in relation to the same.
- 7. Wrong Pocket Assets**
- 7.1 No part of the Ice Cream Business Undertaking, unless otherwise specified in the terms of the Scheme, shall be retained by the Demerged Company after the Effective Date pursuant to the Demerger. If any part of any of the Ice Cream Business Undertaking is not transferred to the Resulting Company on the Effective Date pursuant to the Demerger, the Demerged Company shall take such actions as may be reasonably required to ensure that such part of the relevant Ice Cream Business Undertaking, as the case may be, is transferred to the Resulting Company promptly and for no further consideration. The Demerged Company shall bear all costs and expenses as may be required to be incurred by each of the Demerged Company or the Resulting Company, for giving effect to this Clause.



- 7.2 No part of the Remaining Business shall be transferred to the Resulting Company pursuant to the Demerger. If any part of the Remaining Business is inadvertently held by the Resulting Company after the Effective Date, the Resulting Company shall take such actions as may be reasonably required to ensure that such part of the Remaining Business is transferred back to the Demerged Company, promptly and for no consideration. The Resulting Company shall bear all costs and expenses as may be required to be incurred by each of the Demerged Company or the Resulting Company for giving effect to this Clause.
- 7.3 If the Demerged Company realizes any amounts after the Effective Date that form part of the Ice Cream Business Undertaking, it shall immediately make payment of such amounts to the Resulting Company. It is clarified that all receivables relating to the Ice Cream Business Undertaking, for the period prior to the Effective Date, but received by the Demerged Company after the Effective Date, shall be paid to the Resulting Company for no additional consideration. If the Resulting Company realizes any amounts after the Effective Date that pertains to the Remaining Business, the Resulting Company shall immediately pay such amounts to the Demerged Company.

8. Remaining Business of the Demerged Company

- 8.1 The Remaining Business and all the assets, properties, rights, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by the Demerged Company, and the Resulting Company shall have no right, claim or obligation in relation to the Remaining Business of the Demerged Company and nothing in this Scheme shall operate to transfer any of the Remaining Business to the Resulting Company or to make the Resulting Company liable for any of the Demerged Company's liabilities.
- 8.2 All legal, taxation and other proceedings of whatever nature (including before any statutory or quasi-judicial authority or tribunal) by or against the Demerged Company with respect to the Remaining Business under any statute, pending on the Effective Date or which may be instituted in future, whether or not in respect of any matter arising before the Effective Date and relating to the Remaining Business of the Demerged Company (including those relating to any property, right, power, liability, obligation or duty of the Demerged Company in respect of the Remaining Business and any IT related liabilities) shall be continued and enforced by or against the Demerged Company, as applicable, even after the Effective Date.

9. Consideration for Demerger

- 9.1 Upon this Scheme coming into effect, and in consideration of the transfer and vesting of the Ice Cream Business Undertaking from the Demerged Company to the Resulting Company in terms of this Scheme, the Resulting Company shall, without any further application, act or deed, issue and allot its equity shares, credited as fully paid-up, to the Eligible Shareholders of the Demerged Company, holding fully paid up equity shares and whose names appear in the register of members, including register and index of beneficial owners maintained by a depository under Section 11 of the Depositories Act, 1996, of the Demerged Company, on the Record Date or to such of their respective heirs, executors, administrators or other legal representative or other successors in title as on the Record Date in the following manner:

"for every 1 (one) equity share of face value of Re. 1/- fully paid up held in the Demerged Company, 1 (one) equity share(s) of face value of Re. 1/- credited as fully paid up in the Resulting Company", i.e. in the ratio of 1 : 1 ("Share Entitlement Ratio").

The shares issued by the Resulting Company pursuant to this Clause 9 are hereinafter referred to as "Resulting Company New Shares".

The Resulting Company New Shares shall be subject to the Scheme, the memorandum and articles of association of the Resulting Company and Applicable Law and shall rank *pari passu* with the equity shares of the Resulting Company.



- 9.3 Without prejudice to the generality of Clause 9.1, the Demerged Company and the Resulting Company shall, if and to the extent required, apply for and obtain any approvals from concerned Government Authorities and undertake necessary compliance for the issuance and allotment of the Resulting Company New Shares.
- 9.4 The Resulting Company New Shares shall mandatorily be issued in dematerialized form to the Eligible Shareholders who hold shares of the Demerged Company in dematerialized form, into the account in which shares of the Demerged Company are held or such other account as is intimated in writing by the Eligible Shareholders to the Demerged Company provided such intimation has been received by the Demerged Company at least 7 (seven) days before the Record Date. All those Eligible Shareholders who hold shares of the Demerged Company in physical form shall receive the Resulting Company New Shares in dematerialized form only, provided that the details of their account with the depository participant are intimated in writing to the Demerged Company and provided such intimation has been received by the Demerged Company at least 7 (seven) days before the Record Date. If no such intimation is received from any Eligible Shareholder who holds shares of the Demerged Company in physical form 7 (Seven) days before the Record Date, the Resulting Company shall keep such shares in abeyance / escrow account/ with a trustee nominated by the Board of the Resulting Company for the benefit of such Eligible Shareholders or shall be dealt with as provided under the Applicable Law and will be credited to the respective depository participant accounts of such Eligible Shareholders as and when the details of such Eligible Shareholder's account with the depository participant are intimated in writing to the Resulting Company and/or its registrar, if permitted under Applicable Law.
- 9.5 The Resulting Company New Shares to be issued by the Resulting Company in respect of the equity shares of the Demerged Company held in the unclaimed suspense account shall be credited to a new unclaimed suspense account created for shareholders of the Resulting Company. The Resulting Company New Shares to be issued to the equity shareholders of the Demerged Company held in the Investor Education and Protection Fund Authority ("IEPF") shall be issued to IEPF in favour of such equity shareholders by the Resulting Company.
- 9.6 The Resulting Company New Shares to be issued by the Resulting Company, pursuant to Clause 9 in respect of any equity shares of the Demerged Company which are held in abeyance under the provisions of Section 126 of the Companies Act or which the Resulting Company is unable to issue due to non-receipt of relevant approvals or due to Applicable Laws or otherwise shall, pending allotment or settlement of dispute by order of NCLT or any court or otherwise, be held in abeyance by the Resulting Company or shall be dealt with as provided under the Applicable Law.
- 9.7 The Resulting Company New Shares issued in terms of Clause 9.1 will be listed and/ or admitted to trading on the BSE and NSE. The Resulting Company shall apply for listing of its Resulting Company New Shares on the BSE and NSE and enter into such arrangements and give such confirmations and/ or undertakings as may be necessary in accordance with Applicable Law or regulations for the Resulting Company with the formalities of the BSE and NSE, including, seeking exemption from Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957. The Resulting Company New Shares shall remain frozen in the depositories system till listing and trading permission is given by the designated Stock Exchange. There shall be no change in the shareholding pattern or control in the Resulting Company between the Record Date and the listing which may affect the status of approvals received from the BSE and NSE, other than as provided in the Scheme. The Resulting Company will not issue/ reissue any shares, not covered under this Scheme, till the date of listing of the equity shares issued under this Scheme on the BSE and NSE.



9.8 The issue and allotment of the Resulting Company New Shares is an integral part of the Scheme and shall be deemed to have been undertaken pursuant to the orders of the NCLT without requiring any further, act, deed or thing on the part of the Resulting Company or their shareholders and as if the procedure laid down in the Companies Act including under Sections 42 and 62, has been duly complied with.

10. Cancellation of equity shares of the Resulting Company held by the Demerged Company

10.1 Notwithstanding anything to the contrary contained in this Scheme, upon this Scheme becoming effective, the entire pre-Scheme paid up share capital of the Resulting Company (held by the Demerged Company) will stand cancelled and reduced by operation of law, without payment of any consideration or any further act or deed by either of the Demerged Company and the Resulting Company, which shall be regarded as reduction of share capital of the Resulting Company pursuant to Sections 230-232 of the Companies Act as an integral part of the Scheme and without having to separately follow the provisions of Section 66 of the Companies Act.

10.2 The consent of the stakeholders of the Resulting Company to this Scheme shall be deemed to be sufficient for the purposes of effecting such changes to its equity share capital, and no further resolution or action under the provisions of the Companies Act would be required to be separately passed or taken.

10.3 Notwithstanding the reduction in the share capital of the Resulting Company, the Resulting Company shall not be required to add "And Reduced" as suffix to its name. The order of the NCLT sanctioning this Scheme is deemed to also be the order passed by the NCLT under Section 66 and other relevant provisions of the Companies Act for the purpose of confirming such changes to the equity share capital of the Resulting Company. It is clarified that with regard to the cancellation of equity share capital as a consequence of the demerger of the Ice Cream Business Undertaking of the Demerged Company into and with the Resulting Company, pursuant to the explanation to Section 230(12) of the Companies Act, the provisions of Section 66 of the Companies Act shall not apply to any consequential cancellation of share capital effected in pursuance of this Scheme.

11. Accounting Treatment

11.1 Accounting treatment in the books of Demerged Company

11.1.1 Notwithstanding anything else contained in the Scheme, upon the Scheme becoming effective, the Demerged Company shall account for the Scheme in its books of account in accordance with Ind AS and other generally accepted accounting principles in India.

11.1.2 The Demerged Company shall provide the following accounting treatment in the books of accounts:

(i) recognize a liability for net assets distributed to its shareholders at the fair value of the distributed net assets on the Effective Date, by adjusting a corresponding amount to 'Retained Earnings' under the head 'Other Equity', in accordance with the requirements of Ind AS. The liability is subject to review at each reporting date and at the date of settlement, with any changes in the carrying value of the liability recognized in Retained Earnings under the head "Other Equity" as an adjustment to the amount of distribution.

(ii) reduce the carrying value of all assets and liabilities pertaining to the Ice Cream Business Undertaking as appearing in the books of account of the Demerged Company, being transferred to and vested in the Resulting Company, from the respective book value of assets and liabilities of the Demerged Company on the Effective Date.



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- (iii) the Demerged Company shall recognize the difference, if any, between the carrying value of net assets as derecognised pursuant to point (ii) and the carrying value of the liability as recognised pursuant to point (i), in the statement of profit and loss;
- (iv) the Demerged Company's investment in Resulting Company shall be cancelled pursuant to Clause 10.1 of this scheme and shall be adjusted to 'Retained Earnings' under the head, "Other Equity"; and
- (v) any matter not dealt with in clauses hereinabove shall be dealt with in accordance with the Ind AS applicable to the Demerged Company.

11.2 Accounting treatment in the books of Resulting Company

11.2.1 Notwithstanding anything else contained in the scheme, upon the Scheme becoming effective, the Resulting Company shall account for the scheme in its books of account in accordance with Ind AS and other generally accepted accounting principles in India.

11.2.2 The Resulting Company shall provide the following accounting treatment in the books of account:

- (i) record the assets and liabilities of Ice Cream Business Undertaking of Demerged Company, vested in it pursuant to this scheme at their respective carrying values as appearing in the books of the Demerged Company.
- (ii) the Resulting Company shall credit to its share capital account, the aggregate face value of the equity shares issued and allotted by it pursuant to Clause 9 of the Scheme and excess, if any, of the fair value of the equity shares issued over the face value of the equity shares issued shall be classified as Securities Premium under the head 'Other Equity'.
- (iii) the existing share capital of the Resulting Company before giving effect of the scheme pursuant to Clause 10.1 shall stand cancelled and shall be transferred to Capital Reserve.
- (iv) the difference between the fair value of the equity shares issued by the Resulting Company to the shareholders of the Demerged Company as consideration as per Clause 9 and the book value of the assets and liabilities of the Ice Cream Business Undertaking received from the Demerged Company will be debited or credited, as the case may be, to equity and classified as "Capital Reserve" under the head "Other Equity".
- (v) the Resulting Company shall restate comparative information from the beginning of the comparative period presented or date of incorporation of Resulting Company, whichever is later.
- (vi) any matter not dealt with in clauses hereinabove shall be dealt with in accordance with the Ind AS applicable to the Resulting Company.
- (vii) post giving effect to the Demerger as per points (i) to (vi) above, the debit balance of Capital Reserve, if any, under the head "Other Equity" arising above, shall be adjusted against the corresponding credit balance of Securities Premium accounting arising in terms of point (ii) above, in the books of Resulting Company.

12. Reduction of Securities Premium in the Books of the Resulting Company



- 12.1 The reduction and utilization of the securities premium account of the Resulting Company (if any) pursuant to Clause 11 above, shall be effected as an integral part of the Scheme, in accordance with provisions of Sections 230 to 232 of the Companies Act, without having to follow the process under Section 52 and other applicable provisions of the Companies Act and without any further act or deed on part of the Resulting Company. Accordingly, the order by NCLT sanctioning the Scheme shall also be deemed to be the order passed under applicable provisions of Companies Act for the purpose of confirming such reduction of securities premium account. The reduction of securities premium account as aforesaid would not involve either a diminution of liability in respect of unpaid share capital or payment of paid-up share capital and as such the provisions of Section 66 of the Companies Act or the other applicable provisions of the Companies Act will not be applicable in view of the explanation to Section 230 of the Act.
- 12.2 The consent of shareholders of the Resulting Company, and the consent of the secured and unsecured creditors of the Resulting Company, to the Scheme shall be deemed to be sufficient for the purpose of effecting reduction of securities premium account and no further resolution or action under any other provisions of the Companies Act would be required to be separately passed or taken. In any event, notwithstanding the reduction in the securities premium account of the Resulting Company, the Resulting Company shall not be required to add "And Reduced" as suffix to its name.



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Part III
General Terms and Conditions

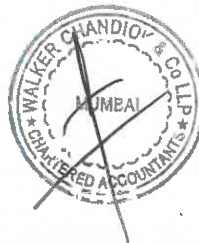
13. Amendments to the articles of association of the Resulting Company

- 13.1 The articles of association of the Resulting Company, if required, shall stand amended and restated only to the extent necessary to comply with provisions required for a listed company.
- 13.2 The amendments pursuant to this Clause 13 shall become operative on the Scheme becoming effective by virtue of the fact that the shareholders of Demerged Company and the Resulting Company, while approving the Scheme as a whole, have approved and accorded the relevant consents as required under the Companies Act for amendment of the articles of association of the Resulting Company and shall not be required to pass separate resolutions under Section 14 or any other applicable provisions of the Companies Act.

14. Additional Arrangements

- 14.1 The Resulting Company and the Demerged Company may enter into certain arrangements (whether in writing or otherwise) including for continuity of operations, seamless transition or improvement of efficiencies in relation to the following:
- (i) use of the assets (whether movable or immovable), funds, Intellectual Property, contracts, services (including R&D, information technology services, secretarial, legal, administrative, accounting, tax, treasury services, conduct of legal proceedings etc.), shared infrastructure (including housekeeping, security), other business services and use of and facilities forming part of the Ice Cream Business Undertaking (including those that are jointly used by Remaining Business and the Ice Cream Business Undertaking), which are required for the operation of or otherwise enable the Remaining Business, by the Demerged Company for such period and on such terms as may be mutually determined by the Demerged Company and the Resulting Company, and where relevant, their affiliate companies;
 - (ii) use of the assets (whether movable or immovable), funds, Intellectual Property, contracts, services (including R&D, information technology services, secretarial, legal, administrative, accounting, tax, treasury services, conduct of legal proceedings etc.), shared infrastructure (including housekeeping, security), other business services and use of and facilities forming part of the Remaining Business (including those that are jointly used by Remaining Business and the Ice Cream Business), which are required for the operation of or otherwise enable the Ice Cream Business Undertaking, by the Resulting Company for such period and on such terms as may be mutually determined by the Demerged Company and the Resulting Company, and where relevant, their affiliate companies; and
 - (iii) short term loan by the Demerged Company to the Resulting Company, as a transitional measure, for such period and on such terms as may be mutually determined by the Demerged Company and the Resulting Company, and where relevant, their affiliate companies.

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14.2 The approval of this Scheme by the shareholders of the Resulting Company and the Demerged Company shall be deemed to constitute due compliance with Section 188 and any other applicable provisions of the Companies Act, Regulation 23 and any other applicable provision of the SEBI LODR Regulations and the articles of association of the Resulting Company and the Demerged Company for the purposes of this Clause 14, and shall be final and binding on all stakeholders. No separate approval of the shareholders, Board or the audit committee shall be required to be sought either by the Demerged Company and / or by the Resulting Company and no further action under the Companies Act, the SEBI LODR Regulations or the articles of association of the Resulting Company and the Demerged Company shall be separately required.

15. Application to the NCLT

15.1 The Demerged Company and the Resulting Company shall make necessary applications and/or petitions to the NCLT under Chapter XV of the Companies Act and the rules formed thereunder seeking orders for dispensing with or convening, holding and conducting of the meetings of members and/or creditors and for sanction of this Scheme with such modification as may be approved by the NCLT and all matters ancillary or incidental thereto.

15.2 Upon this Scheme being approved by the requisite majority of the shareholders and creditors of the Demerged Company and the Resulting Company respectively (wherever required) through e-voting, as applicable, the Demerged Company and the Resulting Company shall, with all reasonable dispatch, file the petition before the NCLT for sanction of this Scheme under Chapter XV of Companies Act and for such other order or orders, as the NCLT may deem fit for putting this Scheme into effect.

15.3 Upon this Scheme becoming effective, the shareholders of the Resulting Company shall be deemed to have also accorded their approval under all relevant provisions of the Companies Act for giving effect to the provisions contained in this Scheme.

16. Modification or Amendments to the Scheme

16.1 The Demerged Company and the Resulting Company through either of their respective Boards, may, in their full and absolute discretion, assent to any alteration, amendment or modification to this Scheme as they deem fit, or which the NCLT and/or any other authority may deem fit to approve or impose.

16.2 The Demerged Company and the Resulting Company, acting through their respective Boards, shall be at liberty to withdraw from this Scheme in case any condition or alteration imposed by the NCLT or any other authority is not on terms acceptable to them.

17. Removal of Difficulties

17.1 The Demerged Company and the Resulting Company through their respective Boards, may give such directions as they may consider necessary to settle any question or difficulty arising under the Scheme or in regard to and of the meaning or interpretation of the Scheme or implementation hereof or in any matter whatsoever connected therewith (including any question or difficulty arising in connection with any deceased or insolvent shareholders of the respective companies), or to review the position relating to the satisfaction of various conditions to the Scheme and if necessary, to waive any of those (to the extent permissible under Applicable Law).

17.2 Any issue as to whether any asset, liability, employee or litigation pertains to the Ice Cream Business Undertaking or not shall be decided by the Boards of the Demerged Company and the Resulting Company, on the basis of evidence that they may deem relevant for the purpose (including the books and records of the Demerged Company).

18. Severability

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18.1 If any part of this Scheme is invalid, ruled illegal or rejected or is unreasonably delayed or not sanctioned by any court of competent jurisdiction, or unenforceable under present or future laws, or not sanctioned or is unreasonably delayed, then it is the intention of the parties that such part shall be severable from the remainder of this Scheme and this Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to any party, in which case the Demerged Company and the Resulting Company, acting through their respective Boards of Directors, shall attempt to bring about a modification in this Scheme, as will best preserve for the parties, the benefits and obligations of this Scheme, including but not limited to such part, which is invalid, ruled illegal or rejected, or being unreasonably delayed or not sanctioned or is unreasonably delayed by any court of competent jurisdiction, or unenforceable under present or future laws.

19. Dividends

19.1 The Demerged Company and the Resulting Company shall be entitled to declare and pay dividends, whether interim or final, to their respective shareholders in respect of the accounting period prior to the Effective Date.

19.2 The holders of the shares of the Demerged Company and the Resulting Company shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights under their respective articles of association including the right to receive dividends.

19.3 It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any member of the Demerged Company and/or the Resulting Company to demand or claim any dividends which, subject to the provisions of the Companies Act, shall be entirely at the discretion of the respective Boards of Directors of the Demerged Company and the Resulting Company respectively and subject to the approval of the shareholders of the Demerged Company and the Resulting Company respectively.

20. Conditions Precedent

20.1 The coming into effect of this Scheme is conditional upon and subject to fulfilment (or waiver, if and to the extent permissible under Applicable Law) of all of the following conditions precedent:

- (i) the Scheme having been approved by the requisite majorities of the various classes of members (passed through postal ballot / e-voting, as applicable) and/or creditors (where applicable) of the Demerged Company and the Resulting Company as required under the Companies Act, SEBI Circular and as may be directed by the NCLT, subject to any dispensation that may be granted by the NCLT;
- (ii) receipt of the observation or no-objection letter by the Demerged Company from the Stock Exchanges under Regulation 37 of the SEBI LODR Regulations and SEBI Circular in respect of the Scheme, on terms acceptable to the Demerged Company and the Resulting Company; and
- (iii) the Scheme having been approved and sanctioned by the NCLT under Sections 230-232 and other applicable provisions of the Companies Act and the certified copy of the order of the NCLT so approving the Scheme having been received by the Demerged Company and the Resulting Company.
- (iv) The Demerged Company and the Resulting Company having filed the certified copy of the order of the NCLT, sanctioning the Scheme, with the relevant jurisdictional Registrar of Companies in terms of Section 232(5) of the Companies Act.



Effect of Non-Receipt of Approvals



- 21.1 The companies (jointly and not severally) shall be at liberty to withdraw this Scheme or any of its parts at any time as may be mutually agreed by the respective Boards of the companies prior to the Effective Date.
- 21.2 Upon the withdrawal of this Scheme or any of its parts as set out in Clause 21.1 above, no rights and liabilities shall accrue to or be incurred by the respective companies or their shareholders or creditors or employees or any other person. In such case, each company shall bear its own costs and expenses or as may be otherwise mutually agreed.

22. Costs and Expenses

All costs, expenses, charges, fees, taxes, duties, levies, transfer fees, transfer premium, differential premium, non-utilisation fees, unearned income, and other incidental expenses arising out of or incurred in connection with the filing, approval and/or implementing of this Scheme shall be borne by the Demerged Company and the Resulting Company as may be mutually agreed between the Demerged Company and the Resulting Company.

Shankar Sen



[Handwritten Signature]



KWIL-Accounting Treatment Certificate

Walker Chandiook & Co LLP

To
The Board of Directors
Kwality Wall's (India) Limited
Unilever House
B. D. Sawant Marg, Chakala
Andheri (East)
Mumbai – 400 099
Maharashtra, India

Walker Chandiook & Co LLP

16th Floor, Tower III,
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Independent auditor's certificate on the proposed accounting treatment included in the draft scheme of arrangement pursuant to SEBI Master circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated 20 June 2023, as amended from time to time (the 'SEBI circular') and Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (the 'Act'), and the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016

1. This certificate is issued in accordance with the terms of our engagement letter dated 21 January 2025 with **Kwality Wall's (India) Limited** (the 'Company' or 'Resulting Company').
2. We, the statutory auditors of the Company, have examined the proposed accounting treatment specified in Clause 11.2 of the draft scheme of arrangement between the Company and Hindustan Unilever Limited (the 'Demerged Company'), and their respective shareholders (hereinafter referred to as the 'Draft Scheme') as approved by the Board of Directors of the Company in their meeting held on 22 January 2025, in terms of the provisions of the SEBI circular, Sections 230 to 232 and other applicable provisions of the Act and the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (the 'Rules') with reference to its compliance with the accounting standards prescribed under Section 133 of the Act, read with relevant rules issued thereunder (the 'applicable accounting standards') and other generally accepted accounting principles in India and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('SEBI LODR Regulations'). A certified true copy of the Draft Scheme, with the proposed accounting treatment specified in Clause 11.2 of the Draft Scheme, as attached herewith in Appendix I, has been attached by us for identification purpose only.

Management's Responsibilities

3. The responsibility for the preparation of the Draft Scheme, and its compliance with the relevant laws and regulations, including the applicable accounting standards and other generally accepted accounting principles in India, is that of the Board of Directors of the companies involved. This responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation of the Draft Scheme and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.
4. The management is also responsible for ensuring that the Company complies with the requirements of the Act, the Rules, SEBI LODR Regulations, SEBI circular, the applicable accounting standards and other generally accepted accounting principles in India, in relation to the Draft Scheme, and for providing all relevant information to the relevant National Company Law Tribunal ('NCLT'), SEBI, the BSE Limited and the National Stock Exchange of India Limited (hereinafter referred to as the 'Stock Exchanges').



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Chartered Accountants

Offices in Ahmedabad, Bengaluru, Chandigarh, Chennai, Dehradun, Goa, Gurugram, Hyderabad, Indore, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

Walker Chandiook & Co LLP is registered with limited liability with identification number AAC-2085 and has its registered office at L-41, Connaught Circus, Outer Circle, New Delhi, 110001, India

Kwality Wall's (India) Limited

Independent auditor's certificate on the proposed accounting treatment included in the draft scheme of arrangement pursuant to SEBI Master circular no. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated 20 June 2023, as amended from time to time (the 'SEBI circular') and Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (the 'Act'), and the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016

Auditor's Responsibilities

5. Pursuant to the requirements of the relevant laws and regulations, it is our responsibility to provide a reasonable assurance as to whether the proposed accounting treatment specified in Clause 11.2 of the Draft Scheme which includes the subsequent reduction of Securities Premium as specified in clause 12 of the Draft Scheme, complies with the SEBI (LODR) Regulations, SEBI circular, and the applicable accounting standards and other generally accepted accounting principles in India.
6. We conducted our examination in accordance with the Guidance Note on Repots or Certificates for Special Purposes (Revised 2016) (the 'Guidance Note') issued by the Institute of Chartered Accountants of India (the 'ICAI'). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC)-1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements, issued by the ICAI.

Opinion

8. Based on our examination as above and according to the information and explanations given to us, along with the representations provided by the management of the Company, in our opinion, the proposed accounting treatment specified in Clause 11.2 of the Draft Scheme which includes the subsequent reduction of Securities Premium as specified in clause 12 of the Draft Scheme, attached herewith by us for identification only, is in compliance with the SEBI (LODR) Regulations, SEBI circular, the applicable accounting standards and other generally accepted accounting principles in India.

Restriction on use

9. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the requirements of the provisions of SEBI LODR Regulations, SEBI circular, Sections 230 to 232 and other applicable provisions of the Act read with the Rules, for onward submission along with the Draft Scheme to the SEBI, the stock exchanges, and the relevant NCLT. Our obligations in respect of this certificate are entirely separate from, and our responsibility and liability are in no way changed by, any other role we may have as statutory auditors of the Company or otherwise. Nothing in this certificate, nor anything said or done in the course of or in connection with the services that are the subject of this certificate, will extend any duty of care we may have in our capacity as statutory auditors of the Company.



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10. This certificate is issued at the request of the Company's management for onward submission along with the Draft Scheme to the SEBI, the stock exchanges, and the relevant NCLT. Accordingly, this certificate may not be suitable for any other purpose and should not be used or referred to for any other purpose or to any other party without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing.

For Walker Chandlok & Co LLP
Chartered Accountants
Firm Registration No:001076N/N500013



Rohan Jain
Partner
Membership No:139536

UDIN:25139536BMONLG2283

Place: Mumbai
Date: 22 January 2025

SCHEME OF ARRANGEMENT



AMONGST



HINDUSTAN UNILEVER LIMITED

as the Demerged Company

AND

KWALITY WALL'S (INDIA) LIMITED

as the Resulting Company

AND

THEIR RESPECTIVE SHAREHOLDERS

UNDER SECTIONS 230-232 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013


A. Description of Parties

1. Hindustan Unilever Limited is a public company, limited by shares, incorporated under the provisions of the Indian Companies Act, 1913 under corporate identification number L15140MH1933PLC002030 and having its registered office at Unilever House, B.D. Sawant Marg, Chakala, Andheri East, Mumbai, 400099, India (“**Hindustan Unilever**” or “**Demerged Company**”). The equity shares of the Demerged Company are listed on the National Stock Exchange of India Limited and BSE Limited. The Demerged Company is one of India’s leading private sector companies and is engaged in the business of manufacturing, marketing, distribution and sale of fast-moving consumer goods (FMCG).
2. Kwaliti Wall’s (India) Limited is a public company, limited by shares, incorporated on January 10, 2025 under the provisions of the Companies Act, 2013 under corporate identification number: U10505MH2025PLC437886 and having its registered office is at Unilever House, B.D. Sawant Marg, Chakala, Andheri East, Mumbai, 400099, India (“**Kwaliti Wall’s (India)**” or “**Resulting Company**”). The Resulting Company is a wholly owned subsidiary of the Demerged Company. The main object of the Resulting Company is the manufacture, marketing, distribution and sale of ice creams, frozen desserts (both dairy and non-dairy), frozen snacks, frozen vegetables and frozen processed food of all kinds.

B. Description of the Scheme

1. This scheme of arrangement is presented under Sections 230 to 232 and other applicable provisions of the Companies Act (*as defined hereinafter*) amongst the Demerged Company and the Resulting Company, and their respective shareholders and has been approved by the Boards of the Companies with advice from independent advisors.
2. The Scheme (*as defined hereinafter*) provides, *inter alia*, for:
 - (i) the demerger of the Ice Cream Business Undertaking (*as defined hereinafter*) of the Demerged Company into the Resulting Company as a going concern and in consideration, the consequent issuance of Resulting Company New Shares (*as defined hereinafter*) by the Resulting Company to all the Eligible Shareholders (*as defined hereinafter*) of the Demerged Company as per the Share Entitlement Ratio (*as defined hereinafter*) and in accordance with the provisions of Section 2(19AA) read with other relevant provisions of the IT Act (*as defined hereinafter*) (“**Demerger**”); and



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- (ii) various other matters consequential or otherwise integrally connected therewith, including, *inter alia*, reduction and cancellation of the existing shareholding of the Demerged Company in the Resulting Company,

each in the manner as more particularly described in this Scheme.

C. Rationale and Objectives of the Scheme

1. Following the announcement by the Demerged Company's parent entity, Unilever PLC, of its intention to separate its ice cream business globally, the Board of the Demerged Company had undertaken a comprehensive review and had decided to separate the Ice Cream Business Undertaking in view of its different operating model, including differentiated infrastructure for supply and distribution, capital allocation needs, distinct channel landscape and go-to-market strategy.
2. After due consideration, the Board of the Demerged Company has proposed to undertake the separation of the Ice Cream Business Undertaking by way of this Scheme which contemplates the Demerger of the Ice Cream Business Undertaking to the Resulting company, to create an independent listed ice-cream company. This would be in the best interests of the Demerged Company and the Resulting Company, and their respective shareholders, creditors, employees and other stakeholders on account of the following:
 - (i) the Demerger will result in the separation of the Ice Cream Business Undertaking from the Remaining Business (*as defined hereinafter*), which will enable these companies to sharpen focus on their respective businesses and strategies in pursuit of their respective growth and value creation models;
 - (ii) the Ice Cream Business Undertaking operates in an attractive high-growth category and has built iconic brands such as 'Kwaliti Wall's', 'Cornetto' and 'Magnum' and the Demerger would create a leading listed ice cream company in India, which will have a focused management with greater flexibility to deploy strategies suited to its distinctive operating model and market dynamics, to realise its full potential;
 - (iii) the Resulting Company will have ability to benefit from the portfolio, brand and innovation resources and technical expertise from the largest global ice cream business enabling it to keep winning in the market space;
 - (iv) the Demerger will enable the Demerged Company to drive sharper focus in the business as it further accelerates its play in high-growth demand spaces, strengthening its future fit portfolio;
 - (v) the Demerger would unlock value for all shareholders of the Demerged Company and give them the flexibility to stay invested in the growth journey of the Ice Cream Business Undertaking; and
 - (vi) the Demerger will facilitate a smoother transition for the Ice Cream Business Undertaking and its people.

D. Parts of the Scheme

This Scheme is divided into 3 parts:

- (i) Part-I sets forth the definitions, share capital structure of the Demerged Company and the Resulting Company and the date of taking effect of the Demerger;
- (ii) Part-II deals with the Demerger of the Ice Cream Business Undertaking into and with the Resulting Company on a going concern basis, and in consideration thereof, issuance of the Resulting Company New Shares (*as defined hereinafter*) by the Resulting Company to the Eligible Shareholders of the Demerged Company, each in accordance with Sections 230 to 232 of the Companies Act, 2013; and



(iii) Part-III deals with the general terms and conditions applicable and sets forth certain additional arrangements that form a part of this Scheme.

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PART I

DEFINITIONS, INTERPRETATION, SHARE CAPITAL STRUCTURE AND COMING INTO EFFECT OF THE SCHEME

1. Definitions

In this Scheme, unless repugnant to the subject or context or meaning thereof, the following expressions shall have the meanings as set out herein below:

- 1.1. “**Appointed Date**” means the opening of business on the Effective Date or such other date that may be mutually agreed to by the Boards of the Demerged Company and the Resulting Company and approved by the NCLT;
- 1.2. “**Applicable Law(s)**” means any applicable statute, enactment, law, regulation, ordinance, rule, judgment, order, decree, policy, clearance, approval, directive, guideline, press notes, requirement, writ, injunction, directions, judgement, arbitral award, decree, approvals or any similar form of determination by or decision of or agreements with any Government Authority, in each case having the force of law, and is binding or applicable to a person, whether in effect as of the date on which this Scheme has been approved by the Boards or at any time thereafter;
- 1.3. “**Board of Directors**” or “**Board**” in relation to the Demerged Company and the Resulting Company, means their respective board of directors and, unless it is repugnant to the context or otherwise, includes any committee of directors or any person authorised by the board of directors or by such committee of directors;
- 1.4. “**BSE**” means BSE Limited;
- 1.5. “**Companies Act**” means the Companies Act, 2013;
- 1.6. “**Demerged Company**” has the meaning ascribed to it in the Description of Parties;
- 1.7. “**Demerged Company Employee Stock Option Scheme**” means the HUL Performance Share Plan Scheme 2024 formulated and approved by the Nomination and Remuneration Committee of the Board of the Demerged Company on 1st December, 2023 and approved by the Board of the Demerged Company on 19th January, 2024 and by the shareholders of the Demerged Company by way of postal ballot on 5th March, 2024.
- 1.8. “**Demerger**” has the meaning ascribed to it in Description of the Scheme above;
- 1.9. “**Effective Date**” means the date which is the first calendar date of the month following the month in which the conditions and matters referred to in Clause 20 of the Scheme have occurred or have been fulfilled, obtained or waived, as applicable, in accordance with this Scheme. References in this Scheme to “**coming into effect of this Scheme**” or “**effectiveness of this Scheme**” or “**Scheme becomes effective**” shall mean the Effective Date;
- 1.10. “**Eligible Shareholder**” means a person whose name appears in the register of members of the Demerged Company and/ or whose name appears as the beneficial owner of the shares of the Demerged Company in the record of the depositories on the Record Date;
- 1.11. “**GST**” means the goods and services tax levied under the Central Goods and Services Tax Act, 2017 and the respective States Goods and Services Tax Act, 2017, Union Territory Goods and Services Tax Act, 2017 and the Goods and Services Tax (Compensation to States) Act, 2017;

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- 1.12. **“Government Authority”** means any supra-national, national, state, provincial, local or similar governmental, statutory, regulatory, administrative authority, agency, commission, departmental or public body or authority, board, branch, tribunal or court or other entity authorized to make laws, rules, regulations, standards, requirements, procedures or to pass directions or orders, in each case having the force of law, or any non-governmental regulatory or administrative authority, body or other organization to the extent that the rules, regulations and standards, requirements, procedures or orders of such authority, body or other organization have the force of law, including any stock exchange in India or in any other country, the Registrar of Companies, Regional Director, NCLT (*as defined hereinafter*), and other sectoral regulators or authorities as may be applicable.
- 1.13. **“Ice Cream Business Undertaking Employee”** means all staff, workmen and employees of the Demerged Company engaged in permanent employment of the Demerged Company in connection with or proposed to be reassigned to a position of permanent employment in relation to the Ice Cream Business Undertaking as on the Effective Date;
- 1.14. **“Ice Cream Business Undertaking”** means all the business, undertakings, activities, operations and properties of the Demerged Company relating to the Ice Cream Business Undertaking as a going concern including but not limited to the following:
- (i) all the licences, approvals, permits and authorisations and any and all of its licenses (including the licenses granted by any Government Authority for the purpose of carrying on the Ice Cream Business Undertaking or in connection therewith and all existing files and dossiers (in any form and on any support) related to or supporting such licenses or authorisations, including pending applications), permissions, approvals, incentives, consents, exemptions, registrations, no-objection certificates, quotas, rights, entitlements, certificates, tenancies, accumulated balances of credits under any tax laws for the time being in force (including, without limitation income tax, MAT credit, service tax, applicable state value added tax, GST, advance tax, tax deducted at source, deferred tax etc. but excluding input tax credit balance and GST liability balance), benefit of any exemptions, privileges;
 - (ii) authorisations, registrations, quotas, permits, allotments, all kinds of approvals, whether statutory or otherwise including by any central or state government or other local authority, consents, privileges, liberties, advantages, easements, exemptions, incentives receivable under Applicable Law or in terms of certain schemes or policies (including production linked incentives of the Government of India or Industrial Promotion Subsidy and other benefits under the Package Scheme of Incentives in Maharashtra or other incentives in West Bengal or Himachal Pradesh) and the pending claims filed under the said schemes, if any, as may be approved by the appropriate authority, including in relation to any taxes and all the rights, title, interests, benefits, entitlement and advantages, contingent rights or benefits belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by Demerged Company with respect to the Ice Cream Business Undertaking and all other interests in connection with or relating to the Ice Cream Business Undertaking, continuing rights, title and interests in connection with any land (together with the buildings and structures standing thereon), whether freehold or leasehold, relating to the Ice Cream Business Undertaking, plant, machinery, equipment, whether leased or otherwise;



- (iii) any and all assets and property relating to or arising from the activities and operations of the Ice Cream Business Undertaking (whether movable or immovable, real or personal, corporeal or incorporeal, present, future, contingent, tangible or intangible), including but not limited to Intellectual Property, inventory (including all raw material, packaging material, work in progress inventory, goods in transit/ stored at depots or warehouses, finished products inventory, etc.), factory buildings, plant and machinery, capital work-in progress, furniture, fixtures, office equipment, computer software and licenses, appliances (including cabinets and refrigerators), accessories, vehicles, cash and bank balance, current assets, sundry debtors, all outstanding loans, deposits, provisions, advances, receivables, funds, leases of all kinds of property, licences, tenancy rights, right of way, premises, hire purchase and lease arrangements, benefits of agreements, contracts and arrangements, insurance policies (other than those taken for the Demerged Company as a whole or without reference to specific assets relating to the Ice Cream Business Undertaking);
- (iv) all deposits and balances with government, quasi-government, local and other authorities and bodies, customers and other persons, earnest monies and/or security deposits paid or received by the Demerged Company directly or indirectly in connection with the Ice Cream Business Undertaking;
- (v) any and all investments of all kinds (including shares whether in dematerialised or physical form, scripts, stocks, bonds, debenture stock, units, pass through certificates or security receipts) pertaining to the Ice Cream Business Undertaking including the investments, all cash balances with the other banks, money at call and short notice, loans, advances;
- (vi) any and all permits, approvals, authorisations, rights to use and avail of telephones, telexes, facsimiles, e-mail, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of all agreements, all records, files, papers, computer programmes, manuals, data, catalogues, sales and advertising materials, lists and other details of present and former customers and suppliers, customer credit information, customer and supplier pricing information and other records in connection with or in relation to the Ice Cream Business Undertaking;
- (vii) all ongoing research and development projects exclusively or primarily relating to the Ice Cream Business Undertaking;
- (viii) all records relating to the Ice Cream Business Undertaking, including without limitation all current and historical books, records, reports and other documents and information that pertain to business plans, budgets, financial and accounting data, brand insights and research, intellectual property, suppliers, manufacturing, customers, research and development of the Ice Cream Business Undertaking's products, devices and services, invoices, marketing and advertising operations, policies, procedures, techniques, systems, employee handbooks or manuals, training materials, operating manuals and documentation, and production manuals and documentation, in any form and on any support;
- (ix) the Ice Cream Business Undertaking Employees, including gratuity, employee insurance, provident fund contribution, superannuation benefits, any other liabilities, employee welfare benefits and applicable collective bargaining agreements associated with such Ice Cream Business Undertaking Employees;

all insurance policies, whether obtained in relation to the assets, directors, employees or operations of the Ice Cream Business Undertaking, by the Demerged Company and updated to include the Resulting Entity;



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- (xi) all pending suits/appeals, legal, taxation or other proceedings including before any statutory or quasi-judicial authority or tribunal or other proceedings of whatsoever nature pertaining to the Ice Cream Business Undertaking which are capable of being continued by or against the Resulting Company under Applicable Law;
- (xii) all contracts, agreements, licenses, leases, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, letters of agreed points, arrangements, undertakings, whether written or otherwise, deeds, bonds, schemes, arrangements, service agreements, sales orders, purchase orders or other instruments of whatsoever nature to which the Demerged Company is a party, exclusively relating to the Ice Cream Business Undertaking; and benefits thereunder, including, *inter alia*, licenses granted to the Demerged Company for use and access of any Intellectual Property in relation to the Ice Cream Business Undertaking, leasehold interest, memberships, powers and facilities of every kind and description whatsoever pertaining to the Ice Cream Business Undertaking of the Demerged Company;
- (xiii) all debts, liabilities including contingent liabilities, present or future, relating to, or arising out of the activities or operations of the Ice Cream Business Undertaking prior to or after the Appointed Date, including specific loans and borrowings (if any), term loans from banks and financial institutions (if any), such liabilities raised, incurred and utilised solely for the activities or business or operation of the Ice Cream Business Undertaking, bank overdrafts (if any), working capital loans and liabilities (including the specific loans or borrowings or funds utilised solely for the activities or operations of the Ice Cream Business Undertaking), amounts due to small scale industrial undertakings, whether secured or unsecured, all guarantees, assurances, commitments and obligations of any nature or description, whether fixed, contingent or absolute, secured or unsecured, asserted or unasserted, matured or unmatured, liquidated or unliquidated, accrued or not accrued, known or unknown, due or to become due, whenever or however arising (including, without limitation, whether arising out of any contract, or tort based on negligence or strict liability), pertaining to the Ice Cream Business Undertaking;
- (xiv) liabilities other than those referred to above, being the amounts of general or multipurpose borrowings of the Ice Cream Business Undertaking, if any, allocated to the Ice Cream Business Undertaking, in the same proportion which the value of the assets transferred under the Scheme bear to the total value of the assets of Demerged Company immediately before giving effect to the Scheme; and
- (xv) contingent rights or benefits, securitised assets, receivables, benefits of assets or properties or other interest held in trust, benefit of any security arrangements, authority, allotments, approvals, reversions, buildings, structures and offices held for the benefit of or enjoyed by the Ice Cream Business Undertaking or to which the Ice Cream Business Undertaking may be entitled;

it being clarified that the Ice Cream Business Undertaking shall not include any employees, assets, liabilities, rights or obligations belonging to and forming part of the Remaining Business. Any question that may arise as to whether a specified asset, liability, employee or other action, matter or thing forms part of the Ice Cream Business Undertaking or the Remaining Business shall be resolved by mutual agreement between the Board of Directors of each of the Demerged Company and the Resulting Company;

1.15. **“Ice Cream Business Liabilities”** shall have the meaning ascribed to the term in Clause 4.2.1(i).

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1.16. “**Intellectual Property**” means all intellectual property rights of any nature whatsoever, past, present, and future rights of the following types, which may exist or be created under the laws of any jurisdiction including:

- (i) rights in information (including know-how, knowledge of ice-cream business, confidential information and trade secrets) and the right to use, and protect the confidentiality of, confidential information;
- (ii) trademarks, service marks, rights in logos, brand names, trade and business names, rights in each of get-up and trade dress and all associated goodwill, rights to sue for passing off and/or for unfair competition and domain names;
- (iii) copyright, moral rights and related rights, rights in computer software, database rights, and rights in designs;
- (iv) approvals, marketing intangibles, permits, permissions, incentives, privileges, special status, designs, research and studies;
- (v) digital platforms, algorithms, domain names, applications (including hardware, software, licenses and scripts);
- (vi) lists of present and former customers and suppliers, other customer information, copies of employment information, including but not limited to personnel files (including hiring documents, reference checks, existing employment contracts, policies, handbooks and documents reflecting changes in an employee’s position, compensation, benefits, or other terms of employment), payroll records, documents relating to past or ongoing leave of absence, on the job injuries or illness, or fitness for work examinations, disciplinary records, related supervisory files and all forms, notifications, orders and contribution/identity cards issued by the concerned authorities and all other records and documents;
- (vii) any other intellectual property rights; and
- (viii) all rights or forms of protection, subsisting now or in the future, having equivalent or similar effect to the rights referred to in paragraphs (i) to (vii) above,

in each case: (i) anywhere in the world; (ii) whether unregistered or registered (including all applications, rights to apply and rights to claim priority); (iii) whether owned, licensed or otherwise; (iv) whether in physical or electronic form and (v) including all divisional, continuations, continuations-in-part, reissues, extensions, re-examinations and renewals and the right to sue for damages for past and current infringement in respect of any of the same.

1.17. “**Ind AS**” shall mean the Indian Accounting Standards notified under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules, 2015, as may be amended from time to time;

1.18. “**IT Act**” means the Income Tax Act, 1961 the rules made thereunder and will include any statutory amendment(s), modification(s) or re-enactment(s) thereof for the time being in force;

1.19. “**NCLT**” means the Regional Bench of the National Company Law Tribunal at Mumbai, Maharashtra having jurisdiction over such companies for the purposes of this Scheme;

1.20. “**NSE**” means National Stock Exchange of India Limited;

1.21. “**RBI**” means the Reserve Bank of India;



- 1.22. **“Record Date”** means, in relation to the demerger of the Ice Cream Business Undertaking, the date to be fixed by the Board of Directors of the Demerged Company and the Resulting Company, for the purpose of identification of the Eligible Shareholders of the Demerged Company to whom Resulting Company New Shares shall be issued pursuant to this Scheme;
- 1.23. **“Registrar of Companies”** means the Registrar of Companies, Mumbai at Maharashtra;
- 1.24. **“Remaining Business”** means all businesses, undertakings, activities, operations and properties of the Demerged Company other than those that form part of the Ice Cream Business Undertaking;
- 1.25. **“Resulting Company”** has the meaning ascribed to it in the Description of Parties;
- 1.26. **“Resulting Company New Shares”** has the meaning ascribed to it in Clause 9.1 of this Scheme;
- 1.27. **“Rupees” or “Rs.” or “INR”** means Indian rupees, being the lawful currency of Republic of India;
- 1.28. **“Scheme”** means this Scheme of Arrangement pursuant to Sections 230 - 232 and other relevant provisions of the Companies Act, with such modifications and amendments as may be made from time to time, with the appropriate approvals and sanctions of the NCLT and other relevant regulatory authorities including without limitation the SEBI, as may be required under the Companies Act and under all other Applicable Laws;
- 1.29. **“SEBI”** means the Securities Exchange Board of India;
- 1.30. **“Share Entitlement Ratio”** has the meaning ascribed to such term in Clause 9.1;
- 1.31. **“Stock Exchanges”** means BSE Limited and National Stock Exchange of India Limited; and
- 1.32. **“SEBI LODR Regulations”** mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- 1.33. **“Tax”** means and includes any tax, whether direct or indirect, including income tax (including withholding tax, dividend distribution tax, TDS/TCS), GST, excise duty, central sales tax, service tax, octroi, local body tax and customs duty, duties, charges, unearned income, transfer charges, fees, surcharge, cess, levies or other similar assessments by or payable to an Government Authority, including in relation to: (a) income, services, gross receipts, premium, immovable property, movable property, assets, profession, entry, capital gains, municipal, interest, expenditure, imports, wealth, gift, sales, use, transfer, licensing, withholding, employment, payroll and franchise taxes, and (b) any interest, fines, penalties, assessments, or additions to Tax resulting from, attributable to or incurred in connection with any proceedings or late payments in respect thereof.
- 1.34. **“Tax Laws”** shall have the meaning set out in Clause 4.8.1;
- 1.35. **“TDS”** means tax deductible at source, in accordance with the provisions of Tax Laws;
- 1.36. **“TCS”** means tax collectible at source, in accordance with the provisions of Tax Laws;

2. Interpretation

- 2.1. Terms and expressions which are used in this Scheme but not defined herein shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Companies Act, IT Act, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and other Applicable Laws.
- 2.2. In this Scheme, unless the context otherwise requires:



- (i) references to “persons” shall include individuals, bodies corporate (wherever incorporated), unincorporated associations and partnerships;
- (ii) reference to any law, statute or to any provision thereof shall include references to any such law or statute or to any provision thereof as it may, after the date hereof, from time to time, be amended, supplemented or re-enacted, or to any law, statute or any provision which replaces it, and any reference to any statute or to any statutory provision shall include any subordinate legislation made from time to time under that statute or provision;
- (iii) any phrase introduced by the terms “including”, “include”, “in particular” or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms;
- (iv) headings, subheadings, titles, subtitles to clauses and sub-clauses are for convenience only and shall be ignored in construing the Scheme;
- (v) references to one gender includes all genders;
- (vi) words in the singular shall include the plural and vice versa;
- (vii) reference to days, months and years are to calendar days, calendar months and calendar years, respectively; and
- (viii) percentages have been rounded off up to two decimal places.

2.3. Share Capital

2.3.1. The share capital structure of the Demerged Company as on **December 31, 2024** is as under

Share Capital	Amount in Rs.
Authorised Capital	
2,850,000,000 equity shares of Rs. 1 each	2,850,000,000
Total	2,850,000,000
Issued, Subscribed and Paid-up Share Capital	
2,402,710,238 equity shares of Rs. 1 each	2,402,710,238
Total	2,402,710,238
Fully paid-up Share Capital	
2,349,591,262 equity shares of Rs. 1 each	2,349,591,262
Total	2,349,591,262

* The equity shares of the Demerged Company are listed on the Stock Exchanges.

** The difference between issued capital and paid-up capital is due to the buyback of 3,02,35,772 Equity Shares of Rs. 1/- each during the Financial Year 2007-08 and Buy Back of 2,28,83,204 Equity Shares of Rs. 1/- each during the Financial Year 2010-11



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*** The Demerged Company has implemented the Demerged Company Employee Stock Option Scheme under which it has some outstanding stock options. Further, the Demerged Company may grant further options in the ordinary course of its business during the pendency of this Scheme. The aforesaid options and/or their exercise may result in a variation to the share capital depicted above. However, the Share Entitlement Ratio will not be adjusted on account of any such variation.

2.3.2. The share capital structure of Resulting Company as on **January 10, 2025** is as under:

Share Capital	Amount in Rs.
Authorised Capital	
2,500,000,000 equity shares of Rs. 1 each	2,500,000,000
Total	2,500,000,000
Issued, Subscribed and Paid-up Share Capital	
50,000,000 equity shares of Rs. 1 each	50,000,000
Total	50,000,000
Fully paid-up Share Capital	
50,000,000 equity shares of Rs. 1 each	50,000,000
Total	50,000,000

2.4. The Resulting Company is a wholly owned subsidiary of the Demerged Company and 6 shares are held by the nominees of the Demerged Company in order to satisfy the requirement of the Companies Act. The equity shares of the Resulting Company are presently not listed on any Stock Exchange. An application shall be made with the BSE and NSE post the effectiveness of the Scheme, for listing of the equity shares of the Resulting Company so that upon the Demerger of the Ice Cream Business Undertaking into the Resulting Company, the shareholders of the Resulting Company can freely trade in the shares of the Resulting Company.

3. Date of Taking Effect and Operative Date

The Scheme shall become operative from the Effective Date, and upon such effectiveness, shall be deemed to have been made effective on and from the Appointed Date.



PART II

DEMERGER OF THE ICE CREAM BUSINESS UNDERTAKING

4. Transfer and vesting of the Ice Cream Business Undertaking

Upon this Scheme becoming effective and with effect from the Appointed Date, the Ice Cream Business Undertaking of the Demerged Company shall, without any further act or deed, be demerged from the Demerged Company and stand transferred to and vested in or be deemed to be transferred to or vested in the Resulting Company, as a going concern, so as to become a business undertaking of the Resulting Company by operation of law, in accordance with Sections 230-232 and other applicable provisions of the Companies Act and Section 2(19AA) and other applicable provisions of the IT Act and various other Tax Laws in force in India on the Effective Date including without limitation in relation to goods and services tax, customs duty, excise duty, CENVAT credit or value added tax. In addition, for the avoidance of doubt, the Remaining Business and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by the Demerged Company.

4.1. Transfer of Assets

Without prejudice to the generality of Clause 4 above, upon this Scheme becoming effective and with effect from the Appointed Date:

- (i) all assets of the Demerged Company pertaining to the Ice Cream Business Undertaking that are movable in nature or incorporeal property or are otherwise capable of transfer by physical or constructive delivery and/or by endorsement and delivery, or by vesting and recordal including plant, machinery and equipment, pursuant to this Scheme, shall stand transferred to and vested in and/or be deemed to be transferred to and vested in the Resulting Company wherever located pursuant to provisions of Sections 230 to 232 of the Companies Act and all other applicable provisions of Applicable Law without requiring any deed or instrument of conveyance for transfer and vesting of the same, and shall become the property and an integral part of the Resulting Company. The vesting pursuant to this sub-clause shall be deemed to have occurred by physical or constructive delivery or by endorsement and delivery or by vesting and recordal, pursuant to this Scheme, as appropriate to the property being vested and title to the property shall be deemed to have been transferred accordingly;
- (ii) all other movable properties of the Demerged Company pertaining to the Ice Cream Business Undertaking (other than as set out in sub-clause (i) above), including tax refunds with the government as applicable, investments in shares and any other securities, sundry debtors, future receivables, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with government, semi-government, local and other authorities and bodies, customers and other persons, shall without any further act, instrument or deed, become the property of the Resulting Company without any notice or other intimation to any person and the same shall also be deemed to have been transferred by way of delivery of possession of the respective documents in this regard. It is hereby clarified that investments, if any, made by the Demerged Company and pertaining to the Ice Cream Business Undertaking and all the rights, title and interests of the Demerged Company pertaining to the Ice Cream Business Undertaking in any leasehold properties shall, pursuant to Sections 230 to 232 of the Companies Act and the provisions of this Scheme, without any further act or deed, be transferred to and vested in and/or be deemed to have been transferred to and vested in the Resulting Company pursuant to the provisions of Sections 230 to 232 of the Companies Act;



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- (iii) all assets, rights, title, remedies, claims, rights of action, interest and authorities held by the Demerged Company, on the Appointed Date forming part of the Ice Cream Business Undertaking, not otherwise specified in the above Clauses, shall also, without any further act, instrument or deed, become the property of, and stand vested in or be deemed to have so become, or be vested in, the Resulting Company upon the coming into effect of this Scheme pursuant to the provisions of Sections 230 to 232 of the Companies Act and all other applicable provisions of Applicable Laws;
- (iv) all immovable properties of the Demerged Company and pertaining to the Ice Cream Business Undertaking, if any, including land together with the buildings and structures standing thereon, capital work-in-progress and rights and interests in immovable properties of the Demerged Company and pertaining to the Ice Cream Business Undertaking, whether freehold or leased from any third party (including Government Authorities) or otherwise and all documents of title, rights and easements in relation thereto shall be vested in and/or be deemed to have been vested in the Resulting Company, without any further act or deed done or being required to be done by the Demerged Company and/or the Resulting Company. For the purposes of this Clause, the Boards of the relevant Companies may, in their absolute discretion, mutually decide the manner of giving effect to the vesting of the whole or part of the right, title and interest in all or any of the immovable properties along with any attendant formalities involved, including by way of execution of appropriate deed(s), including of conveyance, assignment, transfer or rectification, in order to give effect to the objectives of the Scheme;
- (v) the Resulting Company shall be entitled to exercise all rights and privileges attached to the aforesaid immovable properties, if any, and shall be liable to pay the ground rent and taxes, if applicable and fulfil all obligations in relation to or applicable to such immovable properties. The mutation or substitution of the title to the immovable properties, if any, shall, upon this Scheme becoming effective, be made and duly recorded in the name of the Resulting Company by the Government Authorities pursuant to the sanction of this Scheme by the NCLT and upon the Scheme becoming effective in accordance with the terms hereof. Provided that, the Boards of the Demerged Company and the Resulting Company may mutually decide if any particular asset (including any business, activities, employees, permits, consents etc.) which relates to the Ice Cream Business Undertaking shall not be vested in the Resulting Company pursuant to this Scheme in the event of non-receipt of any consents, permission etc. required for vesting of such assets, as intended, or imposition of any onerous conditions associated with such consents or permissions;
- (vi) all Intellectual Property and rights thereto of the Demerged Company that exclusively form part of the Ice Cream Business Undertaking, whether registered or unregistered, along with all rights of commercial nature including attached goodwill, title, interest, and all other interests relating to the Ice Cream Business Undertaking, shall become the property of and/or stand vested in, the Resulting Company; and



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- (vii) all the security interest over any moveable and/or immovable properties and security in any other form (both present and future) including but not limited to any pledges, or guarantees, if any, created/executed by any person in favour of the Demerged Company for the purposes of the Ice Cream Business Undertaking or any other person acting on behalf of or for the benefit of the Demerged Company pertaining to the Ice Cream Business Undertaking for securing the obligations of the persons to whom the Demerged Company has advanced loans and granted other funded and non-funded financial assistance, pertaining to the Ice Cream Business Undertaking by way of letter of comfort or through other similar instruments shall pursuant to the provisions of Section 232 of the Companies Act and without any further act, instrument or deed stand vested in and be deemed to be furnished in favour of the Resulting Company and the benefit of such security shall be available to the Resulting Company as if such security was ab initio created in favour of the Resulting Company.

4.2. Transfer of Liabilities

4.2.1. Without prejudice to the generality of Clause 4 above, upon this Scheme becoming effective and with effect from the Appointed Date:

- (i) all the liabilities of the Demerged Company in relation to the Ice Cream Business Undertaking whether or not recorded in the books of the Demerged Company including the specific loans or borrowings or funds utilised solely for the activities or operations of the Ice Cream Business Undertaking (“Ice Cream Business Liabilities”) shall pursuant to the provisions of Sections 230 to 232 and any other provisions of the Companies Act and any other Applicable Law without any further act, instrument or deed, be and stand transferred to and vested in and be deemed to be transferred to and vested in the Resulting Company, and the same shall be assumed by the Resulting Company, so as to become the liabilities of the Resulting Company on the same terms and conditions as were applicable to Demerged Company, and the Resulting Company shall meet, discharge and satisfy to the exclusion of Demerged Company such that the Demerged Company shall in no event be responsible or liable in relation to any such Ice Cream Business Liabilities transferred by it. It shall not be necessary to obtain the consent of any third party who is a party to any contract or arrangement by virtue of which such debts, obligations, duties and liabilities have arisen, in order to give effect to the provisions of this Clause;
- (ii) the Resulting Company shall execute any instrument/s and/or document/s and/or do all the acts and deeds as may be required, including the filing of necessary particulars and/or modification(s) of charge, with the respective Registrar of Companies to give formal effect to the above provisions, if required;
- (iii) It is expressly provided that, save as mentioned in this Clause, no other term or condition of the Ice Cream Business Liabilities transferred to the Resulting Company as part of the Scheme is modified by virtue of this Scheme except to the extent that such amendment is required by necessary implication;
- (iv) Subject to the necessary consents being obtained, if required, in accordance with the terms of this Scheme, the provisions of this Clause shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security document, all of which instruments, deeds or writings shall stand modified and/or superseded by the foregoing provisions; and



4.2.2. Upon this Scheme coming into effect, the borrowing limits of the Resulting Company in terms of Section 180(1) (c) of the Companies Act shall be deemed to be increased without any further act, instrument or deed to the equivalent of the aggregate borrowings forming part of Ice Cream Business Liabilities transferred by the Demerged Company to the Resulting Company pursuant to the Scheme. Such limits shall be incremental to the existing borrowing limits of the Resulting Company.

4.3. Encumbrances

- (i) All encumbrances, if any, existing prior to the Effective Date in respect of the assets of the Demerged Company in respect of the Ice Cream Business Undertaking, shall after the Effective Date, without any further act, instrument or deed continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date. Provided that if any of the assets comprised in the Ice Cream Business Undertaking which are being transferred to Resulting Company pursuant to this Scheme have not been encumbered as aforesaid, such assets shall remain unencumbered and the existing encumbrances referred to above shall not be extended to and shall not operate over such assets. The absence of any formal amendment which may be required by a lender or trustee or third party shall not affect the operation of the above;
- (ii) The existing encumbrances over the other assets and properties of the Resulting Company or any part thereof which relate to the liabilities and obligations of Resulting Company prior to the Effective Date shall, continue to relate to only such assets and properties and shall not extend or attach to any of the assets and properties of the Ice Cream Business Undertaking transferred to and vested in Resulting Company by virtue of the Scheme.;
- (iii) The Scheme shall not operate to enlarge the encumbrances in respect of the liabilities of the Ice Cream Business Undertaking comprised in the Demerged Company over the properties, assets, rights, benefits and interest of the Resulting Company (as existing immediately prior to the effectiveness of the Scheme), nor shall Resulting Company be obliged to create any further or additional security after the Scheme has become effective or otherwise. The absence of any formal amendment which may be required by a lender or trustee or third party shall not affect the operation of the above;
- (iv) The foregoing provisions shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security documents, all of which instruments, deeds or writings shall be deemed to have been modified and/ or superseded by the foregoing provisions. Any reference in any security documents or arrangements (to which Demerged Company is a party) to Demerged Company and its assets and properties, which relate to the Ice Cream Business Undertaking, shall be construed as a reference to Resulting Company and the assets and properties of Demerged Company transferred to Resulting Company by virtue of the Scheme; and

(v) Without any prejudice to the provisions of the foregoing Clauses, the Demerged Company and the Resulting Company may enter into and execute such other deeds, instruments, documents and/ or writings and/ or do all acts and deeds as may be required, including the filing of necessary particulars and/ or modification(s) of charge, with the Registrar of Companies to give formal effect to the provisions of this Clause and foregoing Clauses, if required

4.4. Transfer of Contracts, Deeds, Licenses, Incentives, etc.

Without prejudice to the generality of Clause 4 above, upon this Scheme becoming effective and with effect from the Appointed Date:



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- (i) all contracts, deeds, bonds, agreements, memorandums, arrangements and other instruments of whatsoever nature pertaining to the Ice Cream Business Undertaking (including agreements in relation to the licensing of the Intellectual Property and technology for use in relation to the Ice Cream Business Undertaking), to which the Demerged Company is a party or to the benefit of which the Demerged Company may be eligible or for the obligations of which the Demerged Company may be liable, and which are subsisting immediately before the Effective Date, shall stand transferred to the Resulting Company. It shall not be necessary to obtain the consent of any third party or other person who is a party to any such contracts, deeds, bonds, agreements and other instruments to give effect to the provisions of this Clause of the Scheme;
- (ii) all permits, consents, permissions, licenses, certificates, clearances, registrations, no objection certificates, exemptions, authorities (including powers of attorney) given by, issued to or executed in favour of the Demerged Company in relation to the Ice Cream Business Undertaking or to the benefit of which, the Ice Cream Business Undertaking may be eligible and which are subsisting or having effect immediately before the Effective Date shall, subject to Applicable Law, stand transferred to the Resulting Company as if the same were originally given by, issued to or executed in favour of the Resulting Company, and the Resulting Company shall be bound by the terms thereof, the obligations and duties thereunder, and the rights and benefits under the same shall be available to the Resulting Company. It is hereby clarified that if the consent of any third party or authority is required to give effect to the provisions of this Clause, the said third party or authority shall make and duly record the necessary substitution/endorsement in the name of the Resulting Company pursuant to the sanction of this Scheme by the NCLT and upon this Scheme becoming effective in accordance with the terms hereof. The Resulting Company shall make applications to any Government Authority as may be necessary in this behalf. Until such consents, permissions, licenses, certificates, clearances, registrations, no objection certificates, exemptions, authorities are transferred, and/or perfected in the record of the Government Authority, in favour of the Resulting Company, the Resulting Company shall be deemed to be authorized to carry on the business in the name and style of the Demerged Company in relation to the Ice Cream Business Undertaking under the same. Pursuant to the Scheme coming into effect, the past track record of the Demerged Company in relation to the Ice Cream Business Undertaking shall be deemed to be the track record of the Resulting Company for all commercial and regulatory purposes;



- (iii) in so far as various incentives, subsidiaries, exemptions, remissions, reductions, export benefits, any other incentives eligible from state government (including Industrial Promotion Subsidy and other benefits under the Package Scheme of Incentives in Maharashtra, or other incentives in West Bengal or Himachal Pradesh) or central government (including production linked incentives or PLI), and the pending claims filed under the said schemes, if any, as may be approved by the appropriate authority, all indirect tax related benefits, remission of duties, awards, sanctions, privileges, memberships, allotments, quotas, pre-qualifications, concessions, GST benefits, service tax benefits, central excise duty exemptions / concessions / benefits, customs duty exemptions / concessions, income tax holiday/benefit/losses/ and other benefits or exemptions or privileges enjoyed (to the extent remaining unutilized on the Appointed Date), granted by any Government Authority or by any other person, or availed of by the Demerged Company are concerned, the same shall, together with any corresponding obligations, without any further act or deed, in so far as they relate to the Ice Cream Business Undertaking, vest with and be available to the Resulting Company on the same terms and conditions as were available with the Demerged Company and as if the same had been allotted and/or granted and/or sanctioned and/or allowed to the Resulting Company, to the end and intent that the right of the Demerged Company to recover or realize the same, shall become the right of the Resulting Company and/or stands vested in the Resulting Company and that appropriate entries should be passed in their respective books to record the aforesaid changes; and
- (iv) the Resulting Company may if so required under any Applicable Law or otherwise, execute deeds (including deeds of adherence or deeds of novation), confirmations or other writings or tripartite arrangements with any party to any contract or arrangement in relation to the Ice Cream Business Undertaking to which the Demerged Company is a party or any writings as may be necessary to be executed in order to give formal effect to the provisions of the Scheme. The Resulting Company shall, under the provisions of this Part II of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Demerged Company in relation to the Ice Cream Business Undertaking and to carry out or perform all such formalities or compliances referred to above on the part of the Demerged Company in relation to the Ice Cream Business Undertaking to be carried out or performed.

4.5. Transfer of legal, taxation and other proceedings

- 4.5.1. Pursuant to the Scheme coming into effect, the Resulting Company will be the successor of the Demerged Company solely in relation to the Ice Cream Business Undertaking.
- 4.5.2. Any pending suits/appeals, all legal, taxation or other proceedings including before any statutory or quasi-judicial authority or tribunal or other proceedings of whatsoever nature pertaining to the Ice Cream Business Undertaking, whether by or against the Demerged Company, whether pending on the Effective Date or which may be instituted any time in the future and in each case relating to the Ice Cream Business Undertaking shall not abate, be discontinued or in any way prejudicially affected by reason of the demerger of the Ice Cream Business Undertaking or of anything contained in this Scheme, but the proceedings shall continue and any prosecution shall be enforced by or against the Resulting Company after the Effective Date as effectually and in the same manner and to the same extent as if the same had been instituted by or against, as the case may be, the Resulting Company.
- 4.5.3. The Resulting Company shall have all legal, taxation or other proceedings initiated by or against the Demerged Company in relation to the Ice Cream Business Undertaking referred to in Clause 4.5.2 above transferred to its name as soon as is reasonably possible after the Effective Date and to have the same continued, prosecuted and enforced by or against the Resulting Company.



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4.5.4. Notwithstanding anything contained herein above, if at any time after the Effective Date, the Demerged Company is in receipt of any demand, claim, notice and/ or is impleaded as a party in any proceedings before any Appropriate Authority (except proceedings under the Income Tax Act), in each case in relation to the Ice Cream Business Undertaking, the Demerged Company and the Resulting Company shall, in view of the transfer and vesting of the Ice Cream Business Undertaking pursuant to this Scheme take all such steps in the proceedings before the Government Authority to replace the Demerged Company with the Resulting Company. However, if for any reason the substitution of the Demerged Company by the Resulting Company for such proceedings does not take place, the Demerged Company shall defend the same or deal with such demand in accordance with the advice of the Resulting Company and at the cost of the Resulting Company and the latter shall reimburse to the Demerged Company all liabilities and obligations incurred by the Demerged Company in respect thereof.

4.6. **Transfer of Employees**

4.6.1. Pursuant to the Scheme coming into effect, all Ice Cream Business Undertaking Employees shall be deemed to have become the employees of the Resulting Company on and from the Appointed Date, subject to provisions hereof, without any break in their service and with the benefit of continuity of service, and on terms and conditions not less favourable in the aggregate than those on which they are engaged by the Demerged Company, in compliance with Applicable Law. For the purpose of payment of any compensation (including retrenchment compensation), gratuity and other terminal benefits, if any, the uninterrupted past services of such Demerged Company Employees with the Demerged Company shall also be taken into account and paid (as and when payable) by the Resulting Company.

4.6.2. In so far as the provident fund, gratuity fund, superannuation fund, trusts, retirement funds or benefits and any other funds or benefits, created by the Demerged Company for the Ice Cream Business Undertaking Employees or to which the Demerged Company is contributing for the benefit of the Ice Cream Business Undertaking Employees and other such funds, the benefits of which the Ice Cream Business Undertaking Employees enjoy (collectively referred to as the "**Demerged Company Funds**"), such proportion of the liabilities which are attributable/referable to the Ice Cream Business Undertaking Employees, all contributions and amounts standing to the credit of such Demerged Company Funds for the benefit of the Ice Cream Business Undertaking Employees and the investments made in the Demerged Company Funds in relation to the Ice Cream Business Undertaking Employees shall be transferred to: (i) similar fund(s)/ trust(s) nominated by the Resulting Company or (ii) to such new fund(s)/ trust(s) to be established (if any) by the Resulting Company and caused to be recognized by the Government Authorities, as applicable. Pending the transfer as aforesaid, the contributions in relation to the Ice Cream Business Undertaking Employees may be continued to be deposited in the existing relevant Demerged Company Funds.

4.6.3. In relation to any other fund (including any funds set up by the government for employee benefits) created or existing for the benefit of the Ice Cream Business Undertaking Employees, the Resulting Company shall stand substituted for the Demerged Company, for all purposes whatsoever, including relating to the obligation to make contributions to the said funds in accordance with the provisions of such scheme, funds, bye-laws, etc. in respect of the Ice Cream Business Undertaking Employees.

4.6.4. Further to the transfer of Demerged Company Funds as set out in the Clauses above, the Resulting Company shall stand substituted for the Demerged Company, for all purposes whatsoever in relation to the administration or operation or obligation to make contributions to the said Demerged Company Funds, such that all the rights, duties, powers and obligations of Demerged Company in relation to the Ice Cream Business Undertaking as on the Effective Date in relation to such fund or funds shall become those of Resulting Company.



- 4.6.5. The Resulting Company undertakes to continue to abide by any agreement/settlement agreement/collective bargaining schemes/ polices, if any, entered into or deemed to have been entered into by the Demerged Company with, or applicable to, any Ice Cream Business Undertaking Employee/ union thereof (if any).
- 4.6.6. In so far as the existing benefits or funds created by the Demerged Company for the employees of the Remaining Business are concerned, the same shall continue and the Demerged Company shall continue to contribute to such benefits or funds in accordance with the provisions applicable thereto, and the Resulting Company shall have no liability in respect thereof.

4.7. **Employee Stock Option Plan**

4.7.1. Upon the Scheme becoming effective, stock options granted by the Demerged Company to the Ice Cream Business Undertaking Employees (who would become employees of the Resulting Company pursuant to the Scheme) under the Demerged Company Employee Stock Option Scheme, which have not been exercised (irrespective of whether the same are vested or not) and are outstanding on the Effective Date shall be treated in the following manner:

- (i) such employees will be entitled to continue to hold such stock options granted to them under the Demerged Company Employee Stock Option Scheme in accordance with their existing terms in accordance with the rules of the Demerged Company Employee Stock Option Scheme, and subject to the exercise of any discretions available to the Board and/or Nomination and Remuneration Committee (NRC) of the Board of the Demerged Company under the rules of the Demerged Company Employee Stock Option Scheme, *provided that* where such stock options are unvested, the vesting of these unvested stock options shall be prorated based on the duration of their employment with the Demerged Company until the Effective Date and all other terms remain as per the Demerged Company Employee Stock Option Scheme; and
- (ii) such employees will be fairly compensated, as may be considered fair and reasonable by the Board or Nomination and Remuneration Committee (NRC) of the Board of the Demerged Company and /or the Resulting Company, such that the total benefit in terms of value to such employees as on the Effective Date under their stock options as specified in sub-clause (i) above taken together with the compensation under this sub-clause (ii) shall remain the same as they would have received if they had exercise their stock options under Demerged Company Employee Stock Option Scheme on the Effective Date, absent the Demerger,

provided that the Demerged Company and/or and the Resulting Company shall ensure that the interest of such Ice Cream Business Undertaking Employees shall not be prejudicially impacted as a result of the Demerger.

4.7.2. Upon coming into effect of the Scheme, the Demerged Company shall take necessary steps to modify the Demerged Company Employee Stock Option Scheme in a manner considered appropriate and in accordance with the Applicable Laws, in order to enable the continuance of the same in the hands of the employees who become employees of the Resulting Company, subject to the approval of the Stock Exchange and the relevant regulatory authorities, if any under Applicable Law.



- 4.7.3. The stock options granted by the Demerged Company under the Demerged Company Employee Stock Option Scheme to the employees of the Demerged Company (other than the Ice Cream Business Undertaking Employees) would be adjusted appropriately with the approval of Nomination and Remuneration Committee (NRC) of the Board of the Demerged Company along with such approvals as may be necessary to preserve the benefits or potential benefits intended to be made available under the Demerged Company Employee Stock Option Scheme or with respect to any outstanding stock options or otherwise necessary to reflect the adjustment in a manner that the Board and/or Nomination and Remuneration Committee (NRC) deems fit, in accordance with the Applicable Laws.
- 4.7.4. In the event that prior to the Scheme becoming effective, if any of the employees of the Demerged Company (including any Ice Cream Business Undertaking Employee) exercised any stock options issued under the applicable Demerged Company Employee Stock Option Plan, no further action will be needed in respect of their stock options since on the Record Date, such employees shall be treated at par with the other equity shareholders of the Demerged Company. In the event that the stock options issued under the Demerged Company Employee Stock Option Plan lapse prior to the coming into effect of the Scheme, no further action will be needed in relation to such lapsed stock options held by employees of the Demerged Company.
- 4.7.5. The Boards or Nomination and Remuneration Committees (NRCs) of the Demerged Company and / or and Resulting Company shall be entitled to take such actions at the discretion of the Nomination and Remuneration Committee of the Board of the Demerged Company and the Resulting Company, in order to give effect to the provisions of this Clause 4 without prejudicially affecting the option holders, as an integral part of the Scheme.
- 4.7.6. The consent of the shareholders of the Resulting Company and Demerged Company to the Scheme shall be deemed to be their consent in relation to all matters contemplated in this Clause 4, as an integral part of the scheme. No further approval of the shareholders of the Demerged Company or Resulting Company or resolution, action or compliance would be required in this connection under any applicable provisions of the Act and/ or other Applicable Laws.

4.8. **Taxation Matters**

4.8.1. Pursuant to the Scheme coming into effect and with effect from the Appointed Date:

- (i) the obligations, if any, for payment of Taxes to Government Authorities under Applicable Laws relating to Tax ("Tax Laws") of the Demerged Company in relation to the Ice Cream Business Undertaking shall be deemed to be the obligations of the Resulting Company; and
- (ii) all the benefits, deductions (including without limitation for expenses disallowed in the Demerged Entity), incentive, Tax refunds, losses, credits in relation to any Tax (including, without limitation income tax, MAT credit, service tax, applicable state value added tax, GST, advance tax, tax deducted at source, deferred tax etc., but excluding input tax credit balance and GST liability balance) in relation to the Ice Cream Business Undertaking to which the Demerged Company is entitled in terms of Applicable Law, whether or not received by the Demerged Company but shall be available to and vest in the Resulting Company and the Resulting Company shall be entitled to utilize and avail such benefits, deductions, Tax refunds, incentives, losses, rebates, tax holidays, exemptions, deferred tax, remissions, reductions and/or any other benefits and credits (including, without limitation income tax, MAT credit, service tax, applicable state value added tax, GST, advance tax, tax deducted at source, etc. but excluding input tax credit balance and GST liability balance).



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4.8.2. The Demerged Company and the Resulting Company are expressly permitted to revise their financial statements and tax returns along with prescribed forms, filings and annexures and other statutory returns, including TDS certificates/returns and to claim refund, advance tax, credits, exercise and service tax credits, service tax returns, excise tax returns, sales tax / VAT/ GST returns, set off etc. on the basis of the accounts of the Demerged Company in relation to the Ice Cream Business Undertaking as transferred and vested with the Resulting Company pursuant to the Scheme coming into effect. Such returns may be revised and filed notwithstanding that the statutory period for such revision and filing may have expired but without incurring any liability on account of interest, penalty or any other sum to claim refunds, advance tax credits, GST, excise and service tax credits, set off, etc, pursuant to the Scheme coming into effect, provided no input tax credit balance and GST liability balance will be transferred to the Resulting Company.

4.8.3. The payments towards any Tax (including, without limitation income tax, GST, service tax, excise duty, custom duty etc.) whether by way of TDS, advance tax, all earnest money, security deposit, provisional payments, payment under protest or otherwise, howsoever by the Demerged Company in relation to the Ice Cream Business Undertaking after the Appointed Date shall be deemed to have been paid by the Resulting Company and shall in all proceedings, be dealt with accordingly. Further, the Resulting Company shall be entitled to claim deduction under Section 40(a), Section 40A, Section 43B and other applicable provisions of the IT Act in respect of unpaid liabilities transferred to it as part of the Ice Cream Business Undertaking to the extent not claimed by the Demerged Company, as and when the same are paid by the Resulting Company.

4.9. Bank Accounts

4.9.1. Pursuant to the Scheme coming into effect, the name of the Resulting Company shall be updated and the Resulting Company shall be the account holder with respect to all bank accounts of the Demerged Company which relate solely to the Ice Cream Business Undertaking.

4.9.2. With effect from the Effective Date and till such time that the name of the bank accounts of the Demerged Company for the Ice Cream Business Undertaking have been updated to record the name of the Resulting Company as the account holder, the Resulting Company shall be entitled to operate such bank accounts of the Demerged Company in the name of the Demerged Company in so far as may be necessary. All cheques and other negotiable instruments, pay orders, electronic fund transfers (such as NEFT, RTGS, etc.) which are in the name of the Demerged Company and received or presented for encashment after the Effective Date and relate to the Ice Cream Business Undertaking, shall be deemed to have been in the name of the Resulting Company and shall be accepted by the Demerged Company and promptly credited to the account of the Resulting Company, or if presented by the Resulting Company or received through electronic transfers and shall be accepted by the relevant bankers and credited to the accounts of the Resulting Company. Similarly, the banker of the Resulting Company shall honour all cheques/ electronic fund transfer instructions issued by the Demerged Company for payment prior to the Effective Date. The Resulting Company shall be allowed to maintain bank accounts that are in the name of the Demerged Company, for such time as may be determined to be necessary by the Resulting Company for presentation and deposition of cheques and pay orders that have been issued in the name of the Demerged Company, subject to Applicable Law. It is hereby expressly clarified that any legal proceedings by or against the Demerged Company in relation to or in connection with the Ice Cream Business Undertaking, in relation to the cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Demerged Company shall be instituted, or as the case may be, continued by or against the Resulting Company after the Effective Date.

5. Saving of Concluded Transactions and Validity of Existing Corporate Approvals



- 5.1 Subject to the terms of the Scheme, the transfer and vesting of the Ice Cream Business Undertaking into the Resulting Company this Scheme shall not affect any transaction or proceedings already concluded by the Demerged Company for the Ice Cream Business Undertaking until the Effective Date, to the end and intent that the Resulting Company accepts and adopts all acts, deeds and things done and executed by the Demerged Company for the Ice Cream Business Undertaking in respect thereto as acts, deeds and things made, done and executed by or on behalf of the Resulting Company.
- 5.2 Upon the coming into effect of the Scheme, the resolutions, if any, of the Demerged Company relating to the Ice Cream Business Undertaking including without limitation approvals under Sections 42, 62, 180, 185, 186, 188 etc., of the Companies Act, which are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions of the Resulting Company, and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, such limits shall be added to the limits, if any, under like resolutions passed by the Resulting Company, and shall constitute the aggregate of the said limits in the Resulting Company.

6. Conduct of Business

- 6.1 During the period between the approval of the Scheme by the Board of the Demerged Company and the Board of the Resulting Company and the Effective Date, save as may be governed by any arrangement entered into between the Demerged Company and the Resulting Company, the business of the Ice Cream Business Undertaking and the Resulting Company shall be carried out with diligence and business prudence in the ordinary course consistent with the past practices of the Demerged Company, in good faith and at arm's length and in accordance with Applicable Law.
- 6.2 Any claims (including but not limited to trade claims by customers or distributors), liabilities or demands (including in relation to income tax, service tax, tax deducted at source, provident fund and any other tax or statutory obligations) raised or received after the Effective Date but arising out of the activities or operations of the Ice Cream Business Undertaking, irrespective of whether it relates to the period before or after the Effective Date, shall be deemed to be part of the Ice Cream Business Undertaking and shall consequently be entirely borne by the Resulting Company. In the event that such liability is incurred by or such claim or demand is made upon the Demerged Company, then the Resulting Company shall indemnify the Demerged Company (or any successor thereof) for any payments made, costs or liabilities incurred by the Demerged Company in relation to the same.

7. Wrong Pocket Assets

- 7.1 No part of the Ice Cream Business Undertaking, unless otherwise specified in the terms of the Scheme, shall be retained by the Demerged Company after the Effective Date pursuant to the Demerger. If any part of any of the Ice Cream Business Undertaking is not transferred to the Resulting Company on the Effective Date pursuant to the Demerger, the Demerged Company shall take such actions as may be reasonably required to ensure that such part of the relevant Ice Cream Business Undertaking, as the case may be, is transferred to the Resulting Company promptly and for no further consideration. The Demerged Company shall bear all costs and expenses as may be required to be incurred by each of the Demerged Company or the Resulting Company, for giving effect to this Clause.



- 7.2 No part of the Remaining Business shall be transferred to the Resulting Company pursuant to the Demerger. If any part of the Remaining Business is inadvertently held by the Resulting Company after the Effective Date, the Resulting Company shall take such actions as may be reasonably required to ensure that such part of the Remaining Business is transferred back to the Demerged Company, promptly and for no consideration. The Resulting Company shall bear all costs and expenses as may be required to be incurred by each of the Demerged Company or the Resulting Company for giving effect to this Clause.
- 7.3 If the Demerged Company realizes any amounts after the Effective Date that form part of the Ice Cream Business Undertaking, it shall immediately make payment of such amounts to the Resulting Company. It is clarified that all receivables relating to the Ice Cream Business Undertaking, for the period prior to the Effective Date, but received by the Demerged Company after the Effective Date, shall be paid to the Resulting Company for no additional consideration. If the Resulting Company realizes any amounts after the Effective Date that pertains to the Remaining Business, the Resulting Company shall immediately pay such amounts to the Demerged Company.

8. Remaining Business of the Demerged Company

- 8.1 The Remaining Business and all the assets, properties, rights, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by the Demerged Company, and the Resulting Company shall have no right, claim or obligation in relation to the Remaining Business of the Demerged Company and nothing in this Scheme shall operate to transfer any of the Remaining Business to the Resulting Company or to make the Resulting Company liable for any of the Demerged Company's liabilities.
- 8.2 All legal, taxation and other proceedings of whatever nature (including before any statutory or quasi-judicial authority or tribunal) by or against the Demerged Company with respect to the Remaining Business under any statute, pending on the Effective Date or which may be instituted in future, whether or not in respect of any matter arising before the Effective Date and relating to the Remaining Business of the Demerged Company (including those relating to any property, right, power, liability, obligation or duty of the Demerged Company in respect of the Remaining Business and any IT related liabilities) shall be continued and enforced by or against the Demerged Company, as applicable, even after the Effective Date.

9. Consideration for Demerger

- 9.1 Upon this Scheme coming into effect, and in consideration of the transfer and vesting of the Ice Cream Business Undertaking from the Demerged Company to the Resulting Company in terms of this Scheme, the Resulting Company shall, without any further application, act or deed, issue and allot its equity shares, credited as fully paid-up, to the Eligible Shareholders of the Demerged Company, holding fully paid up equity shares and whose names appear in the register of members, including register and index of beneficial owners maintained by a depository under Section 11 of the Depositories Act, 1996, of the Demerged Company, on the Record Date or to such of their respective heirs, executors, administrators or other legal representative or other successors in title as on the Record Date in the following manner:

"for every 1 (one) equity share of face value of Re. 1/- fully paid up held in the Demerged Company, 1 (one) equity share(s) of face value of Re. 1/- credited as fully paid up in the Resulting Company", i.e. in the ratio of 1 : 1 ("Share Entitlement Ratio").

The shares issued by the Resulting Company pursuant to this Clause 9 are hereinafter referred to as "**Resulting Company New Shares**".

The Resulting Company New Shares shall be subject to the Scheme, the memorandum and articles of association of the Resulting Company and Applicable Law and shall rank *pari passu* with the equity shares of the Resulting Company.



- 9.3 Without prejudice to the generality of Clause 9.1, the Demerged Company and the Resulting Company shall, if and to the extent required, apply for and obtain any approvals from concerned Government Authorities and undertake necessary compliance for the issuance and allotment of the Resulting Company New Shares.
- 9.4 The Resulting Company New Shares shall mandatorily be issued in dematerialized form to the Eligible Shareholders who hold shares of the Demerged Company in dematerialized form, into the account in which shares of the Demerged Company are held or such other account as is intimated in writing by the Eligible Shareholders to the Demerged Company provided such intimation has been received by the Demerged Company at least 7 (seven) days before the Record Date. All those Eligible Shareholders who hold shares of the Demerged Company in physical form shall receive the Resulting Company New Shares in dematerialized form only, provided that the details of their account with the depository participant are intimated in writing to the Demerged Company and provided such intimation has been received by the Demerged Company at least 7 (seven) days before the Record Date. If no such intimation is received from any Eligible Shareholder who holds shares of the Demerged Company in physical form 7 (Seven) days before the Record Date, the Resulting Company shall keep such shares in abeyance / escrow account/ with a trustee nominated by the Board of the Resulting Company for the benefit of such Eligible Shareholders or shall be dealt with as provided under the Applicable Law and will be credited to the respective depository participant accounts of such Eligible Shareholders as and when the details of such Eligible Shareholder's account with the depository participant are intimated in writing to the Resulting Company and/or its registrar, if permitted under Applicable Law.
- 9.5 The Resulting Company New Shares to be issued by the Resulting Company in respect of the equity shares of the Demerged Company held in the unclaimed suspense account shall be credited to a new unclaimed suspense account created for shareholders of the Resulting Company. The Resulting Company New Shares to be issued to the equity shareholders of the Demerged Company held in the Investor Education and Protection Fund Authority ("IEPF") shall be issued to IEPF in favour of such equity shareholders by the Resulting Company.
- 9.6 The Resulting Company New Shares to be issued by the Resulting Company, pursuant to Clause 9 in respect of any equity shares of the Demerged Company which are held in abeyance under the provisions of Section 126 of the Companies Act or which the Resulting Company is unable to issue due to non-receipt of relevant approvals or due to Applicable Laws or otherwise shall, pending allotment or settlement of dispute by order of NCLT or any court or otherwise, be held in abeyance by the Resulting Company or shall be dealt with as provided under the Applicable Law.
- 9.7 The Resulting Company New Shares issued in terms of Clause 9.1 will be listed and/ or admitted to trading on the BSE and NSE. The Resulting Company shall apply for listing of its Resulting Company New Shares on the BSE and NSE and enter into such arrangements and give such confirmations and/ or undertakings as may be necessary in accordance with Applicable Law or regulations for the Resulting Company with the formalities of the BSE and NSE, including, seeking exemption from Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957. The Resulting Company New Shares shall remain frozen in the depositories system till listing and trading permission is given by the designated Stock Exchange. There shall be no change in the shareholding pattern or control in the Resulting Company between the Record Date and the listing which may affect the status of approvals received from the BSE and NSE, other than as provided in the Scheme. The Resulting Company will not issue/ reissue any shares, not covered under this Scheme, till the date of listing of the equity shares issued under this Scheme on the BSE and NSE.



9.8 The issue and allotment of the Resulting Company New Shares is an integral part of the Scheme and shall be deemed to have been undertaken pursuant to the orders of the NCLT without requiring any further, act, deed or thing on the part of the Resulting Company or their shareholders and as if the procedure laid down in the Companies Act including under Sections 42 and 62, has been duly complied with.

10. Cancellation of equity shares of the Resulting Company held by the Demerged Company

10.1 Notwithstanding anything to the contrary contained in this Scheme, upon this Scheme becoming effective, the entire pre-Scheme paid up share capital of the Resulting Company (held by the Demerged Company) will stand cancelled and reduced by operation of law, without payment of any consideration or any further act or deed by either of the Demerged Company and the Resulting Company, which shall be regarded as reduction of share capital of the Resulting Company pursuant to Sections 230-232 of the Companies Act as an integral part of the Scheme and without having to separately follow the provisions of Section 66 of the Companies Act.

10.2 The consent of the stakeholders of the Resulting Company to this Scheme shall be deemed to be sufficient for the purposes of effecting such changes to its equity share capital, and no further resolution or action under the provisions of the Companies Act would be required to be separately passed or taken.

10.3 Notwithstanding the reduction in the share capital of the Resulting Company, the Resulting Company shall not be required to add "And Reduced" as suffix to its name. The order of the NCLT sanctioning this Scheme is deemed to also be the order passed by the NCLT under Section 66 and other relevant provisions of the Companies Act for the purpose of confirming such changes to the equity share capital of the Resulting Company. It is clarified that with regard to the cancellation of equity share capital as a consequence of the demerger of the Ice Cream Business Undertaking of the Demerged Company into and with the Resulting Company, pursuant to the explanation to Section 230(12) of the Companies Act, the provisions of Section 66 of the Companies Act shall not apply to any consequential cancellation of share capital effected in pursuance of this Scheme.

11. Accounting Treatment

11.1 Accounting treatment in the books of Demerged Company

11.1.1 Notwithstanding anything else contained in the Scheme, upon the Scheme becoming effective, the Demerged Company shall account for the Scheme in its books of account in accordance with Ind AS and other generally accepted accounting principles in India.

11.1.2 The Demerged Company shall provide the following accounting treatment in the books of accounts:

(i) recognize a liability for net assets distributed to its shareholders at the fair value of the distributed net assets on the Effective Date, by adjusting a corresponding amount to 'Retained Earnings' under the head 'Other Equity', in accordance with the requirements of Ind AS. The liability is subject to review at each reporting date and at the date of settlement, with any changes in the carrying value of the liability recognized in Retained Earnings under the head "Other Equity" as an adjustment to the amount of distribution.

(ii) reduce the carrying value of all assets and liabilities pertaining to the Ice Cream Business Undertaking as appearing in the books of account of the Demerged Company, being transferred to and vested in the Resulting Company, from the respective book value of assets and liabilities of the Demerged Company on the Effective Date.



- (iii) the Demerged Company shall recognize the difference, if any, between the carrying value of net assets as derecognised pursuant to point (ii) and the carrying value of the liability as recognised pursuant to point (i), in the statement of profit and loss;
- (iv) the Demerged Company's investment in Resulting Company shall be cancelled pursuant to Clause 10.1 of this scheme and shall be adjusted to 'Retained Earnings' under the head, "Other Equity"; and
- (v) any matter not dealt with in clauses hereinabove shall be dealt with in accordance with the Ind AS applicable to the Demerged Company.

11.2 Accounting treatment in the books of Resulting Company

11.2.1 Notwithstanding anything else contained in the scheme, upon the Scheme becoming effective, the Resulting Company shall account for the scheme in its books of account in accordance with Ind AS and other generally accepted accounting principles in India.

11.2.2 The Resulting Company shall provide the following accounting treatment in the books of account:

- (i) record the assets and liabilities of Ice Cream Business Undertaking of Demerged Company, vested in it pursuant to this scheme at their respective carrying values as appearing in the books of the Demerged Company.
- (ii) the Resulting Company shall credit to its share capital account, the aggregate face value of the equity shares issued and allotted by it pursuant to Clause 9 of the Scheme and excess, if any, of the fair value of the equity shares issued over the face value of the equity shares issued shall be classified as Securities Premium under the head 'Other Equity'.
- (iii) the existing share capital of the Resulting Company before giving effect of the scheme pursuant to Clause 10.1 shall stand cancelled and shall be transferred to Capital Reserve.
- (iv) the difference between the fair value of the equity shares issued by the Resulting Company to the shareholders of the Demerged Company as consideration as per Clause 9 and the book value of the assets and liabilities of the Ice Cream Business Undertaking received from the Demerged Company will be debited or credited, as the case may be, to equity and classified as "Capital Reserve" under the head "Other Equity".
- (v) the Resulting Company shall restate comparative information from the beginning of the comparative period presented or date of incorporation of Resulting Company, whichever is later.
- (vi) any matter not dealt with in clauses hereinabove shall be dealt with in accordance with the Ind AS applicable to the Resulting Company.
- (vii) post giving effect to the Demerger as per points (i) to (vi) above, the debit balance of Capital Reserve, if any, under the head "Other Equity" arising above, shall be adjusted against the corresponding credit balance of Securities Premium accounting arising in terms of point (ii) above, in the books of Resulting Company.

12. **Reduction of Securities Premium in the Books of the Resulting Company**



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- 12.1 The reduction and utilization of the securities premium account of the Resulting Company (if any) pursuant to Clause 11 above, shall be effected as an integral part of the Scheme, in accordance with provisions of Sections 230 to 232 of the Companies Act, without having to follow the process under Section 52 and other applicable provisions of the Companies Act and without any further act or deed on part of the Resulting Company. Accordingly, the order by NCLT sanctioning the Scheme shall also be deemed to be the order passed under applicable provisions of Companies Act for the purpose of confirming such reduction of securities premium account. The reduction of securities premium account as aforesaid would not involve either a diminution of liability in respect of unpaid share capital or payment of paid-up share capital and as such the provisions of Section 66 of the Companies Act or the other applicable provisions of the Companies Act will not be applicable in view of the explanation to Section 230 of the Act.
- 12.2 The consent of shareholders of the Resulting Company, and the consent of the secured and unsecured creditors of the Resulting Company, to the Scheme shall be deemed to be sufficient for the purpose of effecting reduction of securities premium account and no further resolution or action under any other provisions of the Companies Act would be required to be separately passed or taken. In any event, notwithstanding the reduction in the securities premium account of the Resulting Company, the Resulting Company shall not be required to add "And Reduced" as suffix to its name.

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Part III

General Terms and Conditions

13. Amendments to the articles of association of the Resulting Company

- 13.1 The articles of association of the Resulting Company, if required, shall stand amended and restated only to the extent necessary to comply with provisions required for a listed company.
- 13.2 The amendments pursuant to this Clause 13 shall become operative on the Scheme becoming effective by virtue of the fact that the shareholders of Demerged Company and the Resulting Company, while approving the Scheme as a whole, have approved and accorded the relevant consents as required under the Companies Act for amendment of the articles of association of the Resulting Company and shall not be required to pass separate resolutions under Section 14 or any other applicable provisions of the Companies Act.

14. Additional Arrangements

- 14.1 The Resulting Company and the Demerged Company may enter into certain arrangements (whether in writing or otherwise) including for continuity of operations, seamless transition or improvement of efficiencies in relation to the following:
- (i) use of the assets (whether movable or immovable), funds, Intellectual Property, contracts, services (including R&D, information technology services, secretarial, legal, administrative, accounting, tax, treasury services, conduct of legal proceedings etc.), shared infrastructure (including housekeeping, security), other business services and use of and facilities forming part of the Ice Cream Business Undertaking (including those that are jointly used by Remaining Business and the Ice Cream Business Undertaking), which are required for the operation of or otherwise enable the Remaining Business, by the Demerged Company for such period and on such terms as may be mutually determined by the Demerged Company and the Resulting Company, and where relevant, their affiliate companies;
 - (ii) use of the assets (whether movable or immovable), funds, Intellectual Property, contracts, services (including R&D, information technology services, secretarial, legal, administrative, accounting, tax, treasury services, conduct of legal proceedings etc.), shared infrastructure (including housekeeping, security), other business services and use of and facilities forming part of the Remaining Business (including those that are jointly used by Remaining Business and the Ice Cream Business), which are required for the operation of or otherwise enable the Ice Cream Business Undertaking, by the Resulting Company for such period and on such terms as may be mutually determined by the Demerged Company and the Resulting Company, and where relevant, their affiliate companies; and
 - (iii) short term loan by the Demerged Company to the Resulting Company, as a transitional measure, for such period and on such terms as may be mutually determined by the Demerged Company and the Resulting Company, and where relevant, their affiliate companies.

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14.2 The approval of this Scheme by the shareholders of the Resulting Company and the Demerged Company shall be deemed to constitute due compliance with Section 188 and any other applicable provisions of the Companies Act, Regulation 23 and any other applicable provision of the SEBI LODR Regulations and the articles of association of the Resulting Company and the Demerged Company for the purposes of this Clause 14, and shall be final and binding on all stakeholders. No separate approval of the shareholders, Board or the audit committee shall be required to be sought either by the Demerged Company and / or by the Resulting Company and no further action under the Companies Act, the SEBI LODR Regulations or the articles of association of the Resulting Company and the Demerged Company shall be separately required.

15. Application to the NCLT

15.1 The Demerged Company and the Resulting Company shall make necessary applications and/or petitions to the NCLT under Chapter XV of the Companies Act and the rules formed thereunder seeking orders for dispensing with or convening, holding and conducting of the meetings of members and/or creditors and for sanction of this Scheme with such modification as may be approved by the NCLT and all matters ancillary or incidental thereto.

15.2 Upon this Scheme being approved by the requisite majority of the shareholders and creditors of the Demerged Company and the Resulting Company respectively (wherever required) through e-voting, as applicable, the Demerged Company and the Resulting Company shall, with all reasonable dispatch, file the petition before the NCLT for sanction of this Scheme under Chapter XV of Companies Act and for such other order or orders, as the NCLT may deem fit for putting this Scheme into effect.

15.3 Upon this Scheme becoming effective, the shareholders of the Resulting Company shall be deemed to have also accorded their approval under all relevant provisions of the Companies Act for giving effect to the provisions contained in this Scheme.

16. Modification or Amendments to the Scheme

16.1 The Demerged Company and the Resulting Company through either of their respective Boards, may, in their full and absolute discretion, assent to any alteration, amendment or modification to this Scheme as they deem fit, or which the NCLT and/or any other authority may deem fit to approve or impose.

16.2 The Demerged Company and the Resulting Company, acting through their respective Boards, shall be at liberty to withdraw from this Scheme in case any condition or alteration imposed by the NCLT or any other authority is not on terms acceptable to them.

17. Removal of Difficulties

17.1 The Demerged Company and the Resulting Company through their respective Boards, may give such directions as they may consider necessary to settle any question or difficulty arising under the Scheme or in regard to and of the meaning or interpretation of the Scheme or implementation hereof or in any matter whatsoever connected therewith (including any question or difficulty arising in connection with any deceased or insolvent shareholders of the respective companies), or to review the position relating to the satisfaction of various conditions to the Scheme and if necessary, to waive any of those (to the extent permissible under Applicable Law).

17.2 Any issue as to whether any asset, liability, employee or litigation pertains to the Ice Cream Business Undertaking or not shall be decided by the Boards of the Demerged Company and the Resulting Company, on the basis of evidence that they may deem relevant for the purpose (including the books and records of the Demerged Company).

18. Severability



18.1 If any part of this Scheme is invalid, ruled illegal or rejected or is unreasonably delayed or not sanctioned by any court of competent jurisdiction, or unenforceable under present or future laws, or not sanctioned or is unreasonably delayed, then it is the intention of the parties that such part shall be severable from the remainder of this Scheme and this Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to any party, in which case the Demerged Company and the Resulting Company, acting through their respective Boards of Directors, shall attempt to bring about a modification in this Scheme, as will best preserve for the parties, the benefits and obligations of this Scheme, including but not limited to such part, which is invalid, ruled illegal or rejected, or being unreasonably delayed or not sanctioned or is unreasonably delayed by any court of competent jurisdiction, or unenforceable under present or future laws.

19. Dividends

19.1 The Demerged Company and the Resulting Company shall be entitled to declare and pay dividends, whether interim or final, to their respective shareholders in respect of the accounting period prior to the Effective Date.

19.2 The holders of the shares of the Demerged Company and the Resulting Company shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights under their respective articles of association including the right to receive dividends.

19.3 It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any member of the Demerged Company and/or the Resulting Company to demand or claim any dividends which, subject to the provisions of the Companies Act, shall be entirely at the discretion of the respective Boards of Directors of the Demerged Company and the Resulting Company respectively and subject to the approval of the shareholders of the Demerged Company and the Resulting Company respectively.

20. Conditions Precedent

20.1 The coming into effect of this Scheme is conditional upon and subject to fulfilment (or waiver, if and to the extent permissible under Applicable Law) of all of the following conditions precedent:

- (i) the Scheme having been approved by the requisite majorities of the various classes of members (passed through postal ballot / e-voting, as applicable) and/or creditors (where applicable) of the Demerged Company and the Resulting Company as required under the Companies Act, SEBI Circular and as may be directed by the NCLT, subject to any dispensation that may be granted by the NCLT;
- (ii) receipt of the observation or no-objection letter by the Demerged Company from the Stock Exchanges under Regulation 37 of the SEBI LODR Regulations and SEBI Circular in respect of the Scheme, on terms acceptable to the Demerged Company and the Resulting Company; and
- (iii) the Scheme having been approved and sanctioned by the NCLT under Sections 230-232 and other applicable provisions of the Companies Act and the certified copy of the order of the NCLT so approving the Scheme having been received by the Demerged Company and the Resulting Company.
- (iv) The Demerged Company and the Resulting Company having filed the certified copy of the order of the NCLT, sanctioning the Scheme, with the relevant jurisdictional Registrar of Companies in terms of Section 232(5) of the Companies Act.

21. Effect of Non-Receipt of Approvals



- 21.1 The companies (jointly and not severally) shall be at liberty to withdraw this Scheme or any of its parts at any time as may be mutually agreed by the respective Boards of the companies prior to the Effective Date.
- 21.2 Upon the withdrawal of this Scheme or any of its parts as set out in Clause 21.1 above, no rights and liabilities shall accrue to or be incurred by the respective companies or their shareholders or creditors or employees or any other person. In such case, each company shall bear its own costs and expenses or as may be otherwise mutually agreed.

22. Costs and Expenses

All costs, expenses, charges, fees, taxes, duties, levies, transfer fees, transfer premium, differential premium, non-utilisation fees, unearned income, and other incidental expenses arising out of or incurred in connection with the filing, approval and/or implementing of this Scheme shall be borne by the Demerged Company and the Resulting Company as may be mutually agreed between the Demerged Company and the Resulting Company.

Shankar Sankar



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